

## **Conwy CBC and Denbighshire CC Joint Highways and Infrastructure Fully Integrated Service**

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### **Report on the Draft Service Design (September 2012)**

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## Contents

<b>1.</b>	<b>Purpose</b>	<b>3</b>
1.1	Scope	3
<b>2.</b>	<b>Context &amp; Drivers</b>	<b>4</b>
2.1	Background	4
2.2	Project Arrangements	4
<b>3.</b>	<b>Current Service Arrangements</b>	<b>7</b>
3.1	Current Structure	7
3.2	Current Financial Position	8
3.3	Collaboration Savings (outside of this project)	9
<b>4.</b>	<b>Shared Vision for a Conwy &amp; Denbighshire Integrated Highways &amp; Infrastructure Service</b>	<b>10</b>
<b>5.</b>	<b>Governance Model</b>	<b>11</b>
5.1	Governance Option Appraisal	11
5.2	Identifying a Host Authority	12
<b>6.</b>	<b>Conwy &amp; Denbighshire Integrated (Draft) Service Design</b>	<b>14</b>
6.1	Developing the Draft Service Design	14
6.2	Draft Service Design	15
6.3	Rationale for Change	16
<b>7.</b>	<b>Staffing the New (Draft) Service Structure</b>	<b>20</b>
7.1	Assumptions	20
7.2	Impact on Existing Staff	20
7.3	Cost of Staffing the New (Draft) Structure	21
<b>8.</b>	<b>Accommodation</b>	<b>23</b>
8.1	Assumptions and Limitations	23
8.2	Option Appraisal	24
8.3	Accommodation Costs	25
8.4	Conclusions of the Option Appraisal	26
<b>9.</b>	<b>ICT</b>	<b>27</b>
9.1	Assumptions and Limitations	27
9.2	ICT Costs	28
<b>10.</b>	<b>Financial Model</b>	<b>29</b>
10.1	Financial Analysis	30
10.2	Potential for Future Savings	30
10.3	Charging Methodologies	30
<b>11.</b>	<b>HR Model</b>	<b>32</b>
11.1	TUPE Arrangements	32
11.2	Salary Ranges	32
11.3	Policies & Procedures	32
<b>12.</b>	<b>Risk Management</b>	<b>34</b>
<b>13.</b>	<b>Summary of Findings</b>	<b>35</b>
Appendix 1	Project Governance Structure	38
Appendix 2	Breakdown of Functions Under the New Joint Service Structure	39
Appendix 3	Staffing the Structure Costs	45
Appendix 4	JH&I Accommodation Option Appraisal	47
Appendix 5	ICT Report	55
Appendix 6	Project Risk Register	70

## 1. Purpose

The purpose of this report in relation to a fully integrated joint Highways & Infrastructure Service is to:

- outline the current position within both Conwy and Denbighshire;
- share the draft service design;
- make a recommendation with regards to Governance arrangements;
- provide initial costs in relation to Human Resources(HR), Information Communication & Technology(ICT) and Accommodation;
- consider if delivering a joint fully integrated service is likely to result in a *better service* that will *cost less*.

It is not the intention of this report to:

- consider costs and benefits related to *not* proceeding with a fully integrated joint service – options for proceeding with an alternative approach would be explored as part of an exit strategy should one, or both Cabinets withdraw from a fully integrated approach;
- provide the depth of detail expected from a Full Business Case – should both Cabinets resolve to proceed with a fully integrated approach based on the draft service design outlined in this report, the project will reconsider the assumptions made thus far to provide the detail and robustness expected from a Full Business Case;
- identify the full extent of benefits and potential savings that could be realised within the sub-service areas – this work will be undertaken in Phase 2 of the project (see section 10.2).

### 1.1 Scope

In scope are the *office based staff* working within the following aligned service and sub-service areas (as per the current structure within Conwy and Denbighshire):

- |   |                               |
|---|-------------------------------|
| ▪ Business Quality & Customer Management                  | ▪ Harbour Management          |
| ▪ Maritime Service  | ▪ Public Rights of Way        |
| ▪ Major Projects  | ▪ Trunk Road Bridges          |
| ▪ County Road Bridges                                     | ▪ Education Transport Service |
| ▪ Transportation Policy                                   | ▪ Asset Management            |
| ▪ Streetworks   | ▪ Parking                     |
| ▪ Parking Processes (W3P)                                 | ▪ Traffic                     |
| ▪ Road Safety   | ▪ Accident Investigation      |
| ▪ Highway Development Control                             | ▪ Policy (TAITH)              |
| ▪ Highway Maintenance                                     | ▪ Street Lighting             |
| ▪ Conwy & Denbighshire Works Unit & Trunk Road Management |                               |

Out of scope are the depots and the non-aligned services (as per the current structure within Conwy and Denbighshire) (the exception to this is with regards to accommodation and the potential relocation of staff working within the non-aligned service from either the Heath or Caledfryn):

- |                              |   |
|------------------------------|---|
| ▪ Emergency Planning         | ▪ Fleet Management & Maintenance                    |
| ▪ Financial Management       | ▪ Countryside Services                              |
| ▪ Flood & Coastal Protection | ▪ Public Transport (rail, bus, policy, information) |

## 2. Context & Drivers

### 2.1 Background

The Cabinets of both Conwy(CCBC) and Denbighshire(DCC) councils took the decision in their April 2008 meetings to collaborate on the appointment of a joint Head of Service for Highways and Infrastructure. A subsequent report setting out further details on how this proposal should be moved forward was submitted to Scrutiny, and agreed at Cabinets in June/July 2008.

The Joint Head of Service has been in post since January 2009.

Since April 2011, significant work has been underway in the areas of HR, Finance, Accommodation, Culture, IT, Support Services and Governance. This work was presented in a feasibility report '*Report on the Development of a Fully Integrated Service*' to Cabinets in December 2011, and a set of 23 actions were agreed.

In addition to the recommendations, CCBC's Cabinet also requested a Gateway Review of the project to establish the projects' ability to deliver its aims and objectives.

In April 2012, the CCBC and DCC Project Leads seconded a CCBC employee as part-time Project Manager to; undertake a review of the project, establish formal project management arrangements, and develop the Full Business Case.

As the formal project management arrangements were developed, it became clear within the project plan that there were a number of key stages that would need to be undertaken prior to proceeding to a Full Business Case. It was the decision of the Highways and Infrastructure Collaboration Board in April 2012 to wait for the draft service design in September 2012, before making a recommendation to Cabinets as to whether they should proceed with the project to a Full Business Case. It was further agreed that any commitment by the Cabinets to proceed would be subject to a Gateway Review at that time.

***Whilst this project refers to and takes note of the actions following the feasibility report in December 2011, it is recognised that the approach taken since April has superseded this initial report, its findings and recommendations.***

### 2.2 Project Arrangements

#### 2.2.1 Project Governance

A clear governance model allows contributors to understand how they should engage with the project, what is expected of them and what protections are provided to ensure that their contributions will always be available to them. In addition, it describes the quality control processes that help to assure the viability of the project.

The governance arrangement for the H&I Project is set out in *Appendix 1*, and has been communicated to all internal stakeholders

## 2.2.2 Project Objectives

Should the project proceed to the Full Business Case, the Collaboration Board will **measure the success of the project** by the following objectives:

### Objective 1

That the findings of the Gateway Review support the continuation of the project.

### Objective 2

That based on the Full Business Case for a 'Conwy and Denbighshire Highways and Infrastructure Fully Integrated Service – Phase 1: Joint Management Structure', each Local Authority Cabinet resolves that:

- (i) CCBC and DCC will operate under one Management Structure;
- (ii) all staff working within the 'in-scope' Service Areas will transfer to the Host LA; and
- (iii) Phase 2, delivering the programme of projects to join the CCBC and DCC 'in-scope' sub-service areas, can proceed under the agreed (project and Joint Committee) governance arrangements.

## 2.2.3 Key Outcomes for the Project

The project outcomes align with the 2012/13 Joint Service Business Planning outcomes, developed through consultation with CCBC & DCC H&I service staff and council Members:

*Outcome 1 - Residents and visitors to Conwy and Denbighshire have access to a safe and well managed road network.*

*Outcome 2 - Properties in Denbighshire will have a reduced risk of flooding.*

*Outcome 3 - Residents and visitors to Conwy and Denbighshire have access to high quality maritime facilities and a well managed natural environment.*

*Outcome 4 - The Highways and Infrastructure Service is efficient and well managed.*

## 2.2.4 Project Benefits

In April 2012, a 'Visioning' workshop was held with JH&I Service Area Managers and a representation of staff from across the Support Services, with one of the outcomes from the workshop being the development of six clear project benefits.

Anticipated Project Benefits	
1	<b>Increased customer satisfaction</b> ( <i>improved engagement through Relationship Role, standard customer engagement, approaches and skills, better resolution of problems, better managed expectation</i> )
2	<b>The whole Service is recognised as a high performing service</b> ( <i>sharing of best practice, service consistency, process improvements / systems, shared learning, using the integration to change the way we work as well as merging</i> )
3	<b>Improved development and career opportunities for new and existing employees</b> ( <i>succession planning / development opportunities, career opportunities, ability to take on apprenticeships, sharing knowledge, making the best use of staff skill sets, opportunities for young people (grow your own), succession planning and talent management</i> )

4	<b>Increased flexibility in and efficient use of limited resources</b> ( <i>Shared expertise, Asset sharing, Capacity / share staff / flexibility, Offer specialist services, increased capacity, expertise, experience and skills</i> )
5	<b>More robust legal compliance</b> ( <i>policy alignment, reduced 3rd party claims</i> )
6	<b>Improved contribution to strategic agendas</b> ( <i>Capacity to link into other strategic agendas e.g. tourism, business development, employment routes – releases capacity from operational to strategic, Links into other services / processes e.g. planning</i> )

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### 3. Current Service Arrangements

#### 3.1 Current Structure

The Highways and Infrastructure Service operates from 23 locations throughout Conwy (CCBC) and Denbighshire (DCC), and employs in the region of 530 staff across the two authorities.

There are in the region of 91 FTE *'office based staff'* in scope working within CCBC and in the region of 94 FTE in DCC, with two main administration bases; CCBC being the Heath in Llanfairfechan, and DCC being Caledfryn in Denbigh. Arrangements for which sub-service staff are based in the main administration offices differ in each LA, and not all staff are office based all of the time.

The *Joint Head of Service* works across both CCBC and DCC, with bases in both the Heath and Caledfryn. This post is supported by a *Joint Programme Manager*, based mainly in the Heath. Below this post the structure divorces into a separate CCBC and DCC structure, each with a *Head of Operations*.

Within each structure, whilst the majority of sub-service areas align, the following do not:

- *Emergency Planning* - currently a sub-service area within the H&I Service in DCC, and within the Corporate Civil Contingencies Unit in CCBC (although a responsible officer has been identified within Conwy H&I – namely the Service Improvement Manager)
- *Financial Management* - currently a sub-service area within the H&I Service in CCBC, and part of the Corporate Finance Team in DCC
- *Flood & Coastal Protection* - currently a sub-service area within the H&I Service in DCC, and within the Environment & Technical Service in CCBC
- *Fleet Management & Maintenance* - currently a sub-service area within the H&I Service in DCC, and within the Environment & Technical Service in CCBC
- *Countryside Services* - currently a sub-service area within the H&I Service in CCBC, and within the Environment & Technical Service in DCC
- *Public Transport (rail, bus, policy, information)* - currently a sub-service area within the H&I Service in DCC, and within the Community Development Service in Conwy

Across the two LA structures there are sub-service areas that formally share a Manager; these are:

- *Street Lighting* – The CCBC & DCC budgets are separate. Staff are still employed by their respective LAs. CCBC & DCC staff work in three separate locations within their respective LA. A common Call Record Management System is being used. A common data management system is being implemented across the two LAs. Further work is ongoing to align working practices.
- *Passenger Transport* – The CCBC & DCC budgets are separate. Staff are still employed by their respective LAs. CCBC & DCC staff work from one location in Caledfryn. Working practices are operating as one.

There are also a number of sub-services where the Manager post is vacant and as an interim arrangement (until this project reaches its conclusion) in most cases, a Manager in one LA is being provided with an honorarium to manage the sub-service in the other LA.

### 3.2 Current Financial Position

The financial information relates to the 2011/12 revenue accounts. All capital expenditure is excluded. The services within CCBC and DCC do not fully align but there are similarities between each of the divisions. The financial information presented attempts to align the services so that comparisons can be made.

One of the major differences between the financial information is that the accounting treatment for year end balances differs between both authorities. In CCBC any year end surplus is reported to the Chief Finance Officer, and if the department knows of a specific future budget pressure then it can request that the surplus is kept as an earmarked reserve. The request for the earmarked reserve then goes through the democratic process for approval. The Chief Finance Officer reviews the earmarked reserves throughout the year. In DCC any year end surplus is reported to the Chief Finance Officer and requested to be carried forward within the revenue accounts. The request goes through the democratic process and if the carried forward balance is agreed, the Head of Service and Operations Manager will decide where best to utilise the surplus.

In financial year 2011/12, Denbighshire's Highways and Infrastructure Service ended the year with an underspend of £222k, and Conwy with an overspend of 105k.

#### Denbighshire County Council

Table 1

Summary	Budget	Actual	Variance
Employee	5,898,366	5,810,844	(87,522)
Premises	448,647	530,579	81,932
Transport	4,521,469	4,714,695	193,226
Supplies and Services	2,432,015	2,382,803	(49,212)
Third Party Payments	2,816,153	2,965,341	149,188
Transfer Payments	200,656	192,081	(8,575)
Support Services	11,455	11,056	(399)
Works	4,227,009	4,401,409	174,400
<b>Total Expenditure</b>	<b>20,555,770</b>	<b>21,008,808</b>	<b>453,038</b>
Bal B/Fwd		(198,500)	(198,500)
Fees & Charges	(2,088,494)	(2,477,478)	(388,984)
Grant Income	(2,169,705)	(2,333,172)	(163,467)
Recharges	(5,637,081)	(5,560,870)	76,211
<b>Total Income</b>	<b>(9,895,280)</b>	<b>(10,570,021)</b>	<b>(674,741)</b>
<b>Net Total</b>	<b>10,660,490</b>	<b>10,438,787</b>	<b>(221,703)</b>



Summary	Budget	Actual	Variance
Employee	6,338,129	6,045,307	(292,822)
Premises	334,066	311,974	(22,092)
Transport	912,693	552,303	(360,390)
Supplies and Services	2,898,202	2,468,318	(429,885)
Third Party Payments	3,753,827	4,105,376	351,549
Below the Line	0	40,976	40,976
Works	5,053,397	4,936,110	(117,287)
<b>Total Expenditure</b>	<b>19,290,314</b>	<b>18,460,363</b>	<b>(829,951)</b>
Other Income	(7,658,406)	(6,624,841)	1,033,565
Grant Income	(517,840)	(616,548)	(98,708)
<b>Total Income</b>	<b>(8,176,246)</b>	<b>(7,241,390)</b>	<b>934,856</b>
<b>Net Total</b>	<b>11,114,068</b>	<b>11,218,973</b>	<b>104,905</b>

### 3.3 Collaboration Savings (outside of this project)

The following summary details the collaboration savings to date that have been reported by the Head of Service to each LA.

*Please note that the Project Team has not investigated these savings and they are therefore taken as provided for this report.*

Based on the information received for the 2010/11 and 2011/12 financial years, DCC has declared collaboration savings in the region of £25k, and CCBC £168k. Both LAs are aiming to make further collaboration savings (not directly attributed to this project) for 2012/13 of £65k in DCC and £35k in CCBC.

This is an expected total reported 'cashable savings' from collaboration (not directly attributed to this project) of £293k across both Authorities.

Table 3

#### Collaboration Savings to date (excluding those within the integrated staff structure)

Authority	Saving Initiatives	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
DCC	Parking Cash Collection Review	0	15	0	15
DCC	Winter Maintenance (Review of Gritting Routes etc)	0	10	65	75
<b>DCC Total</b>		<b>0</b>	<b>25</b>	<b>65</b>	<b>90</b>
CCBC	Street Lighting (Electrician & Vehicle)	39	39	0	78
CCBC	Street Lighting (Technician & Vehicle)	0	38	0	38
CCBC	Parking Cash Collection Review	0	52	0	52
CCBC	Winter Maintenance (Review of Gritting Routes)	0	0	35	35
<b>CCBC Total</b>		<b>39</b>	<b>129</b>	<b>35</b>	<b>203</b>
<b>Total for both DCC &amp; CCBC</b>		<b>39</b>	<b>154</b>	<b>100</b>	<b>293</b>

Note 2012/13 savings are yet to be realised

#### **4. Shared Vision for a Conwy & Denbighshire Integrated Highways & Infrastructure Service**

The Joint Vision was developed as part of the April Visioning Workshop with Highways & Infrastructure Managers and support staff from across Conwy and Denbighshire, and was subsequently consulted upon with unions and all Highways and Infrastructure staff.

Conwy and Denbighshire Local Authorities will aspire to deliver the following outcomes:

- Outcome 1 - Residents and visitors to Conwy and Denbighshire have access to a safe and well managed road network
- Outcome 2 - Properties in Denbighshire will have a reduced risk of flooding
- Outcome 3 - Residents and visitors to Conwy and Denbighshire have access to high quality maritime facilities and a well managed natural environment
- Outcome 4 - The Highways and Infrastructure Service is efficient and well managed

When established, the Conwy and Denbighshire Highways and Infrastructure Service will increase the pace of meeting the aspirations that:

##### **Our customers will feel:**

- better informed;
- that they can travel with less disruption;
- safer;
- they have access to high quality highways, footways, cycle ways and parking across the two counties; and
- they get an excellent service at a reasonable cost.

##### **Our staff will feel:**

- involved,
- supported; and
- motivated to become one of the top quartile performers in Wales.

##### **Our Local Authorities will feel proud that they are delivering a service that is:**

- customer focussed;
- high performing;
- modern; and
- striving for continuous improvement.

## 5. Governance Model

### 5.1 Governance Option Appraisal

In October 2011, work was carried out by Legal colleagues in both Conwy (CCBC) and Denbighshire (DCC) to ascertain the most appropriate governance arrangements for a Highways and Infrastructure integrated joint service. Five models of integration were explored:

Option	Model
1	Host Authority – Secondment
2	Host Authority – Delegation
3	Contract for Services – Commercial
4	New Organisation – Corporate Model
5	Mix of employment – Collaborative Model

In order to establish which model is the most appropriate, an option appraisal exercise was developed and carried out with each model being assessed against ten criteria:

- The pace/complexity at which we would be able to achieve equal pay and conditions for the staff of the integrated service
- The impact of the model on the loyalty of the employee and how they view their employer
- The balance of risk between the two councils
- The complexity of the governance arrangements
- The return on investment/or the cost of the model including further maintenance costs of the chosen approach
- The impact and benefit for other services including whether the model would be adaptable for other services
- Perception of influence
- Impact on service delivery and savings targets
- The ability of the model to allow agility and responsiveness in service delivery and a culture of creativity and innovation
- Stakeholder acceptability

These criteria were independently weighted by the Conwy and Denbighshire Collaboration Board, before the option appraisal was undertaken with Council Members.

The findings of the option appraisal were presented in the December 2011 'Report on the Development of a Fully Integrated Service'. Recommendation 2 of that report states:

***'The option appraisal has demonstrated that the preferred model of integration is Option 2 Host Authority – Delegation, it is therefore this option which is recommended to both councils as the model which should be adopted for the full integration of Highways and Infrastructure services for Conwy and Denbighshire.'***

Under formal Project Management arrangements from April 2012, the development of the draft Service Design has proceeded in keeping with this recommendation.

Under this model, one authority will delegate its function to the other who will then act as the Host Authority.

The governance will be undertaken through a Joint Committee which would be set up by, and have equal representation from both authorities. This will manage and regulate the collaboration.

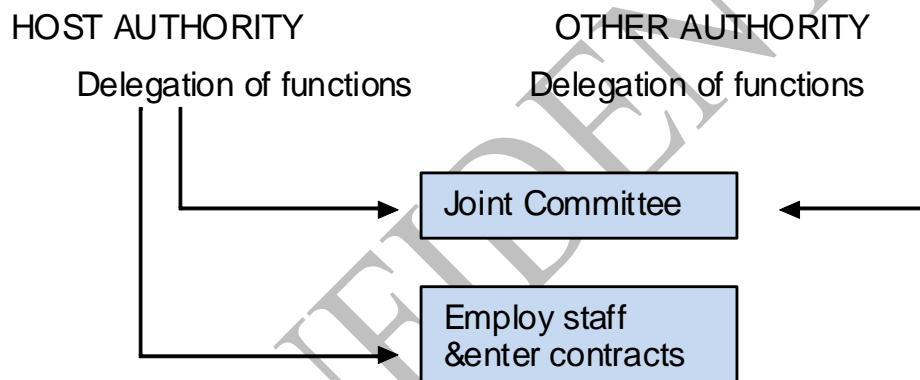
Each Cabinet will delegate specific functions to the Joint Committee, which will have the powers for the strategic management of the service. It will then delegate the day to day activity to the Head of Service.

The Host Authority will employ the staff, with a formal arrangement between the authorities to cover the costs. Funds and the staff will be transferred to the Host Authority.

The Joint Committee, which acts as a sub-committee of a Local Authority, will be scrutinised by both authorities until the Local Government measure changes to allow joint scrutiny.

This will allow for the provision of services to other public bodies, but not the private sector.

Fig. 1



CCBC and DCC Legal Officers have prepared a draft Terms of Reference for the Joint Committee, which will receive further consideration if the project continues to the Full Business Case(FBC) stage.

## 5.2 Identifying a Host Authority

In April 2012, the H&I Collaboration Programme Board resolved that the decision on a Host Authority will not take place until after a FBC has been adopted by both CCBC and DCC Authorities.

In order to formalise the process for agreeing the Host Authority, and to confirm the Local Authorities' commitment to the role, it is recommended that at the appropriate time, all applicants (Local Authorities) complete and submit the 'Host Authority Application Form' (template available).

The process requires the interested party to answer five key questions:

1. Why do you think your organisation should be chosen to host the JH&I Service? (no more than 500 words).
2. Please describe the arrangements that you would have in place to host this Service (no more than 500 words).

3. What regional collaborative projects is your authority currently hosting for services within other departments of your authority?
4. Please state whether your authority has any major inspections due during the key implementation phase for the JH&I Service, i.e. between [date] and [date].
5. Please include your projected annual costs for the following if you were hosting the JH&I Service (*costs are related to the delivery of the service areas, and the necessary support functions*)

The application requires agreement (signature) from the Chief Executive, S151 Officer, Head of Legal, Head of HR and Head of IT.

Following submission, all applications will be considered by the Conwy & Denbighshire Collaboration Board, who will make a recommendation to the Cabinets in both CCBC and DCC Authorities.

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## **6. Conwy & Denbighshire Integrated (Draft) Service Design**

### **6.1 Developing the Draft Service Design**

In April 2012, work began to map out the functions that were currently being delivered in the sub-service areas within both Conwy (CCBC) and Denbighshire (DCC), including information relating to; workforce, accommodation, and ICT. The JH&I Project Team analysed the functions data, isolating the sub-services areas that don't align, and then working to match the functions across the two authorities where sub-service areas do align.

In July 2012, a *Service Design Workshop* was held with the Conwy and Denbighshire Highways and Infrastructure Management Team to consider the Service Design focusing on; (i) the Service Structure for the joint service (including the arrangement of the sub-service areas), (ii) the functions that will be delivered by the sub-service areas, and (iii) the opportunities to deliver a better service through the re-structuring.

Over the course of a full day, the attendees were asked to:

- review the current structure and functions;
- transfer the functions to the sub-service areas under the existing proposed Service Structure (as set out in the December 2011 report to Cabinets), considering (i) are the functions under the appropriate/best sub-service area, and (ii) are the sub-service areas under the appropriate/best Service Area; and
- consider the opportunities for a better service (revisiting the above activity as required).

The CCBC and DCC Highways and Infrastructure Portfolio Members were invited to join the workshop at the end of the day to review the draft Service Design and make any recommendations.

The exercise enabled the Senior H&I Management Team to deconstruct the existing service structures in the two authorities. This provided an opportunity to rebuild a revised structure and consider connections between sub-service areas, addressing any weaknesses in the current structure.

A second workshop was then held that same week with the Sub-service Managers from across both Conwy and Denbighshire to consult on the draft Service Design as developed by the Senior H&I Management Team. Following a briefing on the general project approach and a rationale for the revised Service Structure, the group was asked to consider; what they think will work, what they think will not work, and what could work with some changes.

The group were given the opportunity to provide further feedback over the course of the following week, which was logged and used to inform the design.

#### **6.1.2 Sharing the Draft Service Design**

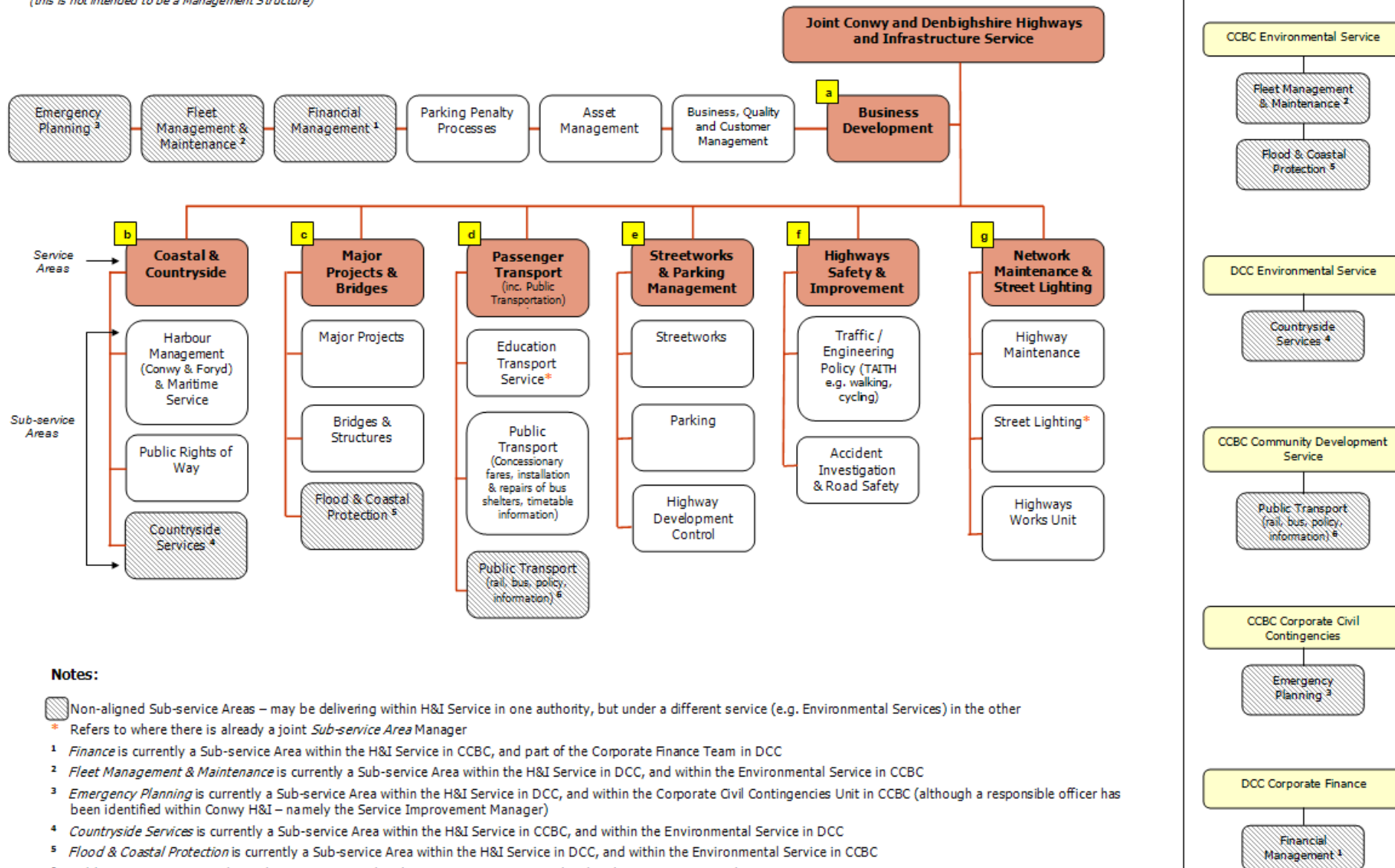
The draft service design and the detail of where the functions would be delivered within the new joint service structure was shared with staff, council Members and union representatives across both Authorities through the project Newsletter (see *Appendix 2*).

## 6.2 Draft Service Design

### Joint Conwy and Denbighshire Highways and Infrastructure Proposed New Service Structure

(this is not intended to be a Management Structure)

**DRAFT**



**Notes:**

▨ Non-aligned Sub-service Areas – may be delivering within H&I Service in one authority, but under a different service (e.g. Environmental Services) in the other

\* Refers to where there is already a joint *Sub-service Area* Manager

<sup>1</sup> Finance is currently a Sub-service Area within the H&I Service in CCBC, and part of the Corporate Finance Team in DCC

<sup>2</sup> Fleet Management & Maintenance is currently a Sub-service Area within the H&I Service in DCC, and within the Environmental Service in CCBC

<sup>3</sup> Emergency Planning is currently a Sub-service Area within the H&I Service in DCC, and within the Corporate Civil Contingencies Unit in CCBC (although a responsible officer has been identified within Conwy H&I – namely the Service Improvement Manager)

<sup>4</sup> Countryside Services is currently a Sub-service Area within the H&I Service in CCBC, and within the Environmental Service in DCC

<sup>5</sup> Flood & Coastal Protection is currently a Sub-service Area within the H&I Service in DCC, and within the Environmental Service in CCBC

<sup>6</sup> Public Transport is currently a Sub-service Area within the H&I Service in DCC, and within the Community Development Service in Conwy

### 6.3 Rationale for Change

The following rationale from the Highways and Infrastructure Joint Head of Service for Conwy and Denbighshire sets out the reasoning behind, and the expected improvements from, the changes to the current structure through a fully integrated approach (linked to *Appendix 2*).

#### (a) Business Development

*Asset Management* has been brought into the core of the service to:

- ensure the most effective deployment of resources and drive the decision making across the service;
- determine the activities across many parts of the service; and
- ensure the principles of whole life cost are utilised to best effect.

The combined team will have a greater capacity to support the development of asset management, which will include the deployment of handheld technology and more efficient paperless systems.

Centralising the management of *3rd Party Claims and Recharges* will:

- ensure we have clear, effective management of the processes;
- enable robust approaches for defence of claims and recovery of money against 3rd Parties; and
- ensure that weaknesses are monitored and procedures and policies are revised where weaknesses are identified, helping to maximise cost recovery and minimise exposure to claims.

*Quality and Health & Safety* approaches will be strengthened from a central management at the core of the service, which will:

- ensure that we have consistently robust processes for the whole service; and
- minimise duplication.

*Customer Management* is a priority for both authorities. The new structure provides an opportunity to strengthen our customer management approaches through better communication and information management. By combining the staff and bringing together the best practices of both authorities, the integrated service will be able to develop one consistent approach for customer standards and management. Best practice needs to be at the core of the service and will be driven and overseen from this team.

The proposal is for a *Quality and Innovation Manager* post to be created, which would harvest best practice from the public and private sector. This is a really important element of establishing the new service to ensure that there is a culture of continuous improvement and challenge.

The *Parking Penalty* process is a discrete process being provided for a number of authorities, and it needs to be managed as a business to ensure that partnership working is maintained and developed.

#### (b) Coastal and Countryside Service

There are procurement advantages from a combined *Harbour Management and Maritime Service* in terms of combined contracts e.g. dredging and maintenance of moorings. A combined service would encourage skill sharing across both authorities, as well as greater resilience of the service. This provides significant benefits with the development and management of coastal and harbour facilities. An example of this is the development of Foryd Harbour, which is on the border of the authorities and benefits the economies of both.



Common licensing and charging approaches have already been developed to provide consistency for maritime users. The opportunity is to continue to develop single policies and procedures for the whole service.

### **(c) Major Projects and Bridges**

Establishing a *single 'consultancy' team* will enable much greater knowledge and sharing of expertise, which will:

- strengthen our capability, capacity and control to manage capital projects for the authority and external clients;
- strengthen the intelligent client capability for both authorities;
- ensure a continued service with local knowledge for the delivery of schemes, and pride and passion for the staff who live and work in the areas they are improving; and
- realise opportunities to deliver a greater level of work on the trunk roads through establishing a single team and recruiting to the appropriate level.

The main client NMWTRA are keen to reduce the number of contact points and are promoting consistent practices from authorities.

### **(d) Passenger Transport**

A fully integrated *Passenger Transport* team provides greater capacity to deal with the peak periods experienced in home to school transport.

Service resilience and succession planning is crucial in this area as the service is specialised, and service failure would be catastrophic. This was highlighted with the departure of the two key officers from Conwy, which led to the collaboration of the Service across CCBC and DCC.

A combined team ensures that:

- robust, frequent and transparent tendering processes are undertaken to ensure best value and maintain a good supplier base; and
- we have a clear direction and clear priorities on our transportation policy, which gives us a strong voice in TAITH and in national transport forums.

### **(e) Streetworks and Parking Management (and Highway Development Control)**

A combined *Parking Management* team would:

- increase the level of support and direction which could be provided to the teams;
- provide flexibility in the deployment of staff to tackle problem areas, and support major events and other peaks in workload;
- strengthen the skill and knowledge so that we optimise network improvements from developments, whilst minimising the negative impacts; and
- strengthen the resilience and succession planning.

*Streetworks* is a vital area of activity to protect traffic flows and minimise future maintenance liabilities. We have already experienced benefits from knowledge sharing between the teams in both authorities and the proposals would take this a stage further.

A combined Streetworks team would have increased capability and capacity to develop effective strategies for events management.

**(f) Highway Safety and Improvement**

The *traffic teams* of both authorities are under significant pressure due to the high number of customer requests, and there is a very clear opportunity to combine the teams and processes to improve capacity and capability.

The *Accident Investigation & Road Safety* work undertaken in both authorities has significant synergies and there is already collaboration which has significantly reduced duplication. There is also some exploratory work being carried out at a regional level to look at collaboration in road safety, and this indicates a sub-regional pairing for delivery of road safety functions. Accident investigation is a specialised activity which is carried out by small teams in both authorities. A combined team would have greater capacity and capability to develop this important area of work.

The current capacity of managers makes it difficult to give sufficient focus to the *transport policy* function in both authorities. The structure proposals are designed to give more capacity to the development of thinking in terms of transport needs. This will enable the service to respond strongly to the regional and national transport agenda through TAITH. This would ensure that the potential for external funding sources are optimised to tackle the priorities of both authorities.

**(g) Network Maintenance and Street Lighting**

The joint service in *Street Lighting* has been very successful in reducing the overall staffing levels, whilst undertaking a greater volume of work. Benefits and improvements already realised include:

- the teams are involved with a wider variety of work which was previously carried out by external consultants and contractors;
- the team has developed a three way contract (Conwy/Denbighshire/Arva energy company) to reduce costs on the connections to new lighting columns;
- the team are quoting for more work and they will be undertaking additional festive lighting schemes for other public sector clients; and
- the collaboration has enabled Conwy and Denbighshire to have combined material specifications to harness economies - this is being further enhanced with the development of an all Wales (and beyond) framework contract, which is being driven by the Street Lighting (joint) Manager.

Collaboration within *Network Maintenance* is progressing:

- contracts have been prepared and let jointly for a variety of maintenance works providing better economies of scale and reducing the time and effort required to produce tenders (one tender rather than two) - the opportunity is to extend this activity with one team;
- reviewing the winter maintenance free running over the border has enabled a reduction in the combined number of gritting routes from 23 to 21, whilst still treating the same length of network. This reduces the number of gritting vehicles (which cost in the regions of £75k each to purchase) and man hours required to carry out winter maintenance;
- sharing best practices are reducing the costs of providing services e.g. the need for double manning on gritting operations was reviewed as practices differed between both authorities, this has reduced the cost of delivering the service.

There are further collaborative opportunities to

- optimise the potential of shared plant, materials and labour across both authorities and beyond (where appropriate);
- the current teams are investigating the possibility of a shared depot facility in the South of the counties to replace the sub-standard facilities in Cerrigydrudion and Corwen - this would enable us to share the investment

costs of developing depot facilities and a salt storage facility in this part of the county;

- increase the services offered to NMWTRA from a larger joint team which could help offset the cost of the labour, plant and equipment to the authorities.

### **Community Relationship role**

Within the new structure there is an opportunity to develop a community relationship role for each of the senior managers in the joint service. The role will act as a key contact in areas for Members, community groups and community councils. It is important that a strong area presence and knowledge is maintained and enhanced to provide a high quality service. This is particularly important in the highway maintenance and traffic activities, as they have a very high community interest. The integration proposals will not dilute this area knowledge and presence.

### **6.3.1 Non-aligned Sub-Services**

The project clearly identifies those sub-service areas that do not align across the Highways and Infrastructure Services in both Conwy and Denbighshire, and are therefore not in scope, as:

- *Finance* - currently a sub-service area within the H&I Service in CCBC, and part of the Corporate Finance Team in DCC
- *Fleet Management & Maintenance* - currently a sub-service area within the H&I Service in DCC, and within the Environmental Service in CCBC
- *Emergency Planning* - currently a sub-service area within the H&I Service in DCC, and within the Corporate Civil Contingencies Unit in CCBC (although a responsible officer has been identified within Conwy H&I – namely the Service Improvement Manager)
- *Countryside Services* - currently a sub-service area within the H&I Service in CCBC, and within the Environmental Service in DCC
- *Flood & Coastal Protection* - currently a sub-service area within the H&I Service in DCC, and within the Environmental Service in CCBC
- *Public Transport* - currently a sub-service area within the H&I Service in DCC, and within the Community Development Service in Conwy

Due diligence will need to be given to the impact of proceeding with a fully integrated service for the Full Business Case. A decision will need to be taken as to whether this activity would proceed under this project, or as interdependent project(s) for all or each of these service areas.

## 7. Staffing the New (Draft) Service Structure

In July 2012, the Project Team met with the Senior H&I Management Team to consider how the new Service Structure would need to be staffed to deliver a high quality and cost effective service; that would both meet the project benefits and deliver against the joint outcomes.

The current workforce in both Conwy (CCBC) and Denbighshire (DCC) was reflected within the new service structure to allow a comparison to be made against the new staffing requirements. This identified where there would need to be a reduction in posts and where it would be necessary to invest in new posts. This analysis provides the basis for the costs of staffing the new structure in 7.2 and 7.3 below.

### 7.1 Assumptions

The staff in-scope for this project are the office based staff working within the aligned sub-service areas of Highways and Infrastructure for both CCBC and DCC. Grant funded posts are not in scope.

In order to ensure a balance between providing enough information to arrive at a reasonable conclusion, and not spending an excessive amount of time and resources at this draft design stage, the following assumptions have been used with the approval of both HR and Finance colleagues:

- Salaries are based on the top of the scale for current and new posts
- FTE salary is worked out as 'salary x FTE'
- The salary for posts under the new structure are an average of the existing two posts (where appropriate)(due to CCBC/DCC differing grades and potential JE impacts), including where the HOS has specified a grade
- On-costs will be added at 30% to the final total salary costs (DCC is currently 30% and CCBC 28%)
- Grant funded posts are not in scope
- Posts within the new structure have not been through a Job Evaluation process, therefore a JE contingency of 4% will be added to cost of the new service design
- A pay structure has not been agreed as it will be dependent on the appointment of the Host Authority
- The savings total for staffing the new service design contains 2x administration posts, which individual LAs have not yet realised, and are therefore not as a direct result of collaboration

### 7.2 Impact on Existing Staff

The total number of (office based) FTEs included in this exercise is 184.78. Based on the new Service Design, 18.59 FTE posts would be removed from the staffing structure, and 9 new FTE posts would be created.

After removing vacant posts, posts in line for redundancy have been considered as a match for the new posts (desk top exercise). This results in a possible 8.59 FTE redundancies, just under 5% of the total staff included in this exercise.

The total value (with 30% on-costs) of the 18.59 posts removed is £626k, and the new posts would cost £236k, resulting in a net saving of £390k (before consideration of additional costs, see 7.3).

## 7.2.1 Redundancy Costs & Pensions Deficit

### *Redundancy Costs*

In order to determine the estimated cost of the remaining 8.59 FTE redundancies, the staff in-scope for *each redundant post* have been profiled for redundancy and pension strain costs, with the highest total costs taken. The pensions strain (different to the pensions deficit) is also known as the '*earliness cost*' and may apply to people over the age of 55 who are in the pension scheme and made redundant. The calculation considers the employee's age, length of service and salary to produce the amount in pension costs that will need to be made by the authority to the relevant Pension Scheme.

Anticipated redundancy costs are in the region of £334k, and will contribute to the overall *transitional costs* detailed in *Section 10 – Financial Model*.

### *Pensions Deficit*

A transfer of staff from one local authority to the other would give rise, where applicable, to staff having to transfer local government pension membership from one Fund to the other.

In early 2012, Finance Officers from both Conwy & Denbighshire met with an actuary representing the Flintshire scheme (DCC employees) and the pension manager from Gwynedd (CCBC employees). Assurance was provided that a transfer would not create an additional cost. The issue is about the accounting treatment of existing deficits.

If a group of staff transfer from *council A* to *council B*, the existing pension deficit for *council A* will not change. However, there would be fewer employees contributing to the deficit funding in *council A*. *Council B* on the other hand could have significantly increased contributions as a result of the transfer and would, in effect, over-recover employer's costs (which include an element of deficit funding).

The actuary advised that there would need to be an agreement between the councils to ensure that neither council is better, or worse off as a result of the pension transfer.

## 7.3 Cost of Staffing the New (Draft) Structure

A full breakdown of costs by Service and sub-service area is available in *Appendix 3*.

For the purpose of this financial analysis work, all contracted staff were included i.e. *School Escorts* and *Road Workers*, with *Relief School Escorts* and *School Crossing Patrols* excluded.

When taking into account (i) the savings from the posts removed, (ii) the cost of the new posts, (iii) the additional costs associated with the Parking Penalty Process, and (iv) the 4% grade differential to protect against JE claims and Host LA pay differences - the anticipated annual staff cost savings are in the region of £3,700.

The following summary of staffing costs are based on the approach detailed at the start of this section and will contribute to the overall *running* and *transitional costs* detailed in *Section 10 – Financial Model*.

Table 4

## Staffing the New Structure

Service/Sub-Service Area	Current Structure		New Structure	No. Posts Removed	New Posts	Saving	Cost
	CCBC	DCC					
Sub-Totals pre on-costs	£3,592,195	£3,199,208	£6,487,838	18.59	9	(481,577)	£181,597
1 On costs @30%	£1,077,659	£959,762	£1,946,351			(144,473)	£54,479
<b>2 Totals</b>	<b>£4,669,854</b>	<b>£4,158,970</b>	<b>£8,434,189</b>			<b>(626,050)</b>	<b>£236,076</b>
3 Parking Penalty Processes & Parking							£48,913
4 4% grade differential to protect against potential JE claims & Host LA pay differences							£337,368
5 Total savings from the new structure						(626,050)	
6 Total costs of staffing the new structure							£622,357
<b>7 Total</b>						<b>(3,693)</b>	

## Notes:

- 1 On-costs added at 30% to the final total salary costs (DCC is currently 30% and CCBC 28%)
- 2 Net saving (389,974) before additional costs
- 3 Costs identified from the impact of Conwy joining the WPPP scheme
- 4 Mitigation against costs of staff transferring to the Host LA when factoring in JE
- 5 savings made through the removal of posts within the new structure
- 6 Total cost of, new posts identified within the new service structure, Conwy joining the WPPP, and the 4% JE mitigation
- 7 Total balance is a saving of £3,687

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## 8. Accommodation

The following three options were considered:

- Option 1: Re-location of Heath based office staff to the Caledfryn site
- Option 2: Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-service Areas where appropriate
- Option 3: Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)

### 8.1 Assumptions and Limitations

*Assumptions* are as follows:

- A1. The option for a new build has been discounted on the grounds of affordability
- A2. The option to move all staff from Caledfryn to the Heath has been discounted on the grounds of capacity
- A3. (Option 1) If the Heath is vacated, Conwy will utilise the building as office space
- A4. (Option 1) If non-H&I staff vacate Caledfryn, DCC will incur running costs for these staff at an alternative location
- A5. (Option 2) Half the staff across the two sites (Heath and Caledfryn) will potentially be subject to re-location
- A6. (Options 1 & 3) Based on current staff figures a floor area of 1,880m<sup>2</sup> would be required – potentially Caledfryn has 1,873m<sup>2</sup> and the St Asaph site 1,395 m<sup>2</sup>. Whilst in both cases the floor area is less than the anticipate need, it is recognised that the Heath site layout is unsuitable for office accommodation with areas of floor unable to be utilised due to the shape of the rooms. As Caledfryn and St Asaph are relatively new sites the floor wastage would be minimal mitigating this concern.
- A7. (Option 3) All staff will require desk space using their existing ICT equipment (see also C1)
- A8. (all Options) The associated ICT report on these three options will initial only consider the costs of joining the services together using the existing hardware and systems. Innovation, opportunities for flexible space utilisation through improved technologies, and future proofing would require investment and will therefore not be a costed consideration for this report (it may be that this will be considered in more detail for the FBC) (see C3 and C6 below)

*Considerations and Limitations* are as follows:

- C1. (Option 1) There needs to be a recognition that as a result of this option there is a potential lost opportunity of releasing assets identified in the DCC Corporate Accommodation Strategy - additional running costs of approximately £90,000pa, Capital costs of £50,000 to get the building suitable for use, and a loss of capital receipts in the region of £650,000
- C2. (Option 2) It needs to be recognised that the intention to relocate small numbers of staff to have full teams working from one site, invariably results in a larger number of staff needing to be relocated (maybe within their current location) to allow this to occur
- C3. (Option 3) Without considering an innovative approach to ICT that would provide opportunities for flexible space utilisation through improved technologies, the St Asaph site would be restricted, with little room for expansion and restrictions with regards to large equipment, storage, etc. An invested approach would aim for an 80% desk provision utilising new and mobile technologies, providing more flexible use of the accommodation now and in the future

- C4.(Option 3) The St Asaph building could be let to another organisation during the life of the project
- C5.(Option 3) The St Asaph site is the only suitable location within Conwy and Denbighshire that has the appropriate capacity and is along the A55 corridor
- C6.(all Options) With the lack of initial investment to back an accommodation solution for a fully integrated service, there is the danger that the building will dictate the business need
- C7. (all Options) Disturbance Costs – work has not begun profiling the disturbance costs that may be incurred with the relocation of staff for each option. This work would be required to ascertain these costs for the FBC e.g. in CCBC's Disturbance Policy, *'CCBC will pay the difference between home to old workplace, and home to new workplace (shortest route) less five miles per day. Mileage will be paid at 20 pence per mile, and is subject to tax/NI deductions. It will be paid for 2 years. Part-time staff will receive the allowance on a pro-rata basis, depending on the number of home/work trips made'*

## 8.2 Option Appraisal

The purpose of the accommodation option appraisal is to consider the options in relation to the location of office based staff within a Joint Conwy and Denbighshire Highways & Infrastructure Service.

The following stakeholders were involved in this option appraisal:

- JH&I Project Team
- Property and Asset Management Officers from both Conwy & Denbighshire
- Conwy & Denbighshire Collaboration Officers Group
- Quality Assurance Team 1
- Project Sponsors

The Option Appraisal template is a recognised approach of the WLGA, having been tested for use within the public sector.

The Option Appraisal is split into two key areas, *non-financial benefits* and *costs*. The non-financial benefits criteria measures against; the majority of the project benefits, the impact on H&I and whole authority service delivery, and the likelihood of the option receiving staff and political buy in.

The exercise of weighting the criteria was undertaken by the Project Sponsors.

To assist with the exercise, considerations were detailed against the non-financial benefits which include the aforementioned considerations and limitations.

The following sequence of activities was undertaken:

- the initial draft was developed by the JH&I Project Team and Conwy & Denbighshire Property & Asset Management Officer, including identifying transitional and running costs against each option;
- the draft was then shared for comment with the Conwy & Denbighshire Collaboration Officers Group;
- the Quality Assurance Team (QAT) were asked to score the options against the non-financial benefits;
- the Project sponsors were asked to score the options against the non-financial benefits (without seeing the scores assigned by the QAT);



- the average of the two scores were taken and multiplied by the weightings.

The results against the non-financial benefits were:

Table 5

	<b>Option 1</b> Re-location of Heath based office staff to the Caledfryn site	<b>Option 2</b> Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-service Areas where appropriate	<b>Option 3</b> Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)
<b>Totals (weighted score)</b>	<b>270</b>	<b>265</b>	<b>280</b>

A copy of the full option appraisal is available in *Appendix 4*.

### 8.3 Accommodation Costs

Year 1 includes the transitional costs. All costs will contribute to the overall *transitional and running costs* detailed in *Section 10 – Financial Model*.

Table 6

**Accommodation Option 1:** Relocation of Heath based staff to the Caledfryn site  
**Accommodation Option 2:** Retain Caledfryn & Heath sites, reorganising the staff according to Service / Sub-service areas where appropriate  
**Accommodation Option 3:** Staff from the Heath & Caledfryn to be relocated in a building formally used as office space (St Asaph business Park)

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
1 Disturbance Costs	£0	£0	£0
2 Transitional Costs (one off)	£250,000	£100,000	£200,000
3 Lease Costs (per annum)	£0	£0	£105,000
4 Running Costs (per annum)	£155,000	£243,777	£80,000
5 Corporate Costs (per annum)	Year 1 - £109,500 Year 2 - £117,250	£0	Year 1 - £174,500 Year 2 - £182,250
<b>6 Additional Cost of the Option</b>	<b>£270,723 (Year 1)</b>	<b>£100,000 (Year 1)</b>	<b>£315,723 (Year 1)</b>
	<b>£28,473 (Year 2)</b>	<b>£0 (Year 2)</b>	<b>£123,473 (Year 2)</b>

Notes:

- Staff profiling work would be required to ascertain these costs for the FBC
- Option 1: 100 Heath staff to Caledfryn & 150 non-H&I DCC staff relocation (at £1,000 pp)  
Option 2: based on apx. 100 staff transferring (at £1,000 pp)  
Option 3: all 200 Heath and Caledfryn staff to St Asaph (at £1,000 pp)
- Lease costs for a building of similar size and structure to the St Asaph site
- Option 1: Running Costs for Caledfryn  
Option 2: Running Costs for Caledfryn £155,000 and the Heath £88,777  
Option 3: Running costs based on a building similar in size and construction
- Option 1: Heath Mothballed (£19,500 in yr 1 and £27,250 yr 2) & re-located DCC staff funded from the released portion of rent from Caledfryn  
Option 3: Heath Mothballed (£19,500 in yr 1 and £27,250 yr 2) & other DCC staff would be moved into Caledfryn
- Compared against the current running costs at the Caledfryn and Heath at £243,777 (Caledfryn £155,000 and the Heath £88,777)

Option 1 - if we consider year two, the cost of the option is as per the current costs, plus the additional £90,000 DCC costs, off-set by the CCBC contribution of £61,527 (current costs of £88,777 minus the mothballing cost of £27,250). In year one, we incur additional transitional costs, however the cost of mothballing the Heath in that first year are reduced.

Option 2 - costs remains the same with just the additional transitional costs required in Year 1

Option 3 – if we consider year two costs, the cost of the option is the additional new building at £185,000 (£105,000 lease costs plus the £80,000 running costs of the new site) less the CCBC contribution of £61,527 (current costs of £88,777 minus the mothballing cost of £27,250). In year one, we incur additional transitional costs, however the cost of mothballing the Heath in that first year are reduced.

## 8.4 Conclusions to the Option Appraisal

Table 7

	<b>Option 1</b> Re-location of Heath based office staff to the Caledfryn site	<b>Option 2</b> Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-service Areas where appropriate	<b>Option 3</b> Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)
<b>Totals</b> (weighted score)	270	265	280
<b>Additional Costs Year 1</b>	£270,723	£100,000	£315,723
<b>Additional Costs Year 2</b> (onwards)	£28,473	£0	£123,473

**8.4.1** Overall it was felt that **having the staff located in one site (Options 1 & 3), was most likely to realise the benefits of:**

- **increased customer satisfaction;**
- **the whole service being recognised as a high performing service;**
- **improved development and career opportunities for new and existing employees; and**
- **increased flexibility in and efficient use of limited resources.**

It was concluded that cultural alignment is a key factor in ensuring that an integrated service can deliver its benefits, and this is most likely to be achieved from having the staff in one location. Risks associated with a single location appearing more remote for customers, can be mitigated by developing a high quality Customer Services Strategy, and implementing new ways of working to monitor and improve, the tracking and accuracy of, and response to, customer enquiries. Teams working within one location will have more opportunities to develop and maintain best practices and common, consistent working approaches. All options should provide better opportunities for skill sharing and staff development, and it was felt that this would be realised more fully by having staff in one single location. However it was recognised that a single location may restrict the viability of opportunities for some staff due to greater journey times and distances.

When considering the benefits of:

- minor disruption to the delivery of the Highways and Infrastructure Service (inc. employees); and
- minor disruption to the delivery of other council services (inc. employees),

the scoring reflects the views that whilst there is likely to be an initial negative impact on service delivery with all options, **the whole service move required for Option 3 will result in the most disruption.**

**Option 2, was considered most likely to receive political and staff buy-in (including overcoming staff opposition),** as not all staff would be required to move location, and both authorities would retain a main based within their County.

## 9. ICT

Conwy and Denbighshire ICT departments produced two joint reports for the Conwy and Denbighshire Officer Group (CDOG) in July 2011 and November 2011 outlining proposals and estimated costs for IT service delivery to the integrated service. Further to these reports, CDOG have requested more detail on the current and estimated future costs for ICT systems and applications utilised by the service.

This report provides an update of the estimated *additional* Capital and Revenue costs required to support *existing* systems under the following options:

- Option 1 - Re-location of Heath based staff to the Caledfryn site
- Option 2 - Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-service Areas where appropriate
- Option 3 - Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)

### 9.1 Assumptions and Limitations

It must be noted, that

- (i) the following costs are in addition to the existing costs of the delivery of IT services to the current H&I services, and
- (ii) the transitional and additional running costs are in the main attributed to the transfer of staff, ICT systems and Infrastructure to a Host LA, rather than the physical relocation.

General Assumptions:

1. Capital and revenue costs for the implementation of completely new systems or technologies aimed at delivering transformation and efficiencies within the Joint Integrated Highways Service (e.g. EDRMS, Sharepoint, IPADs) cannot be included in this report without a clear specification of Service requirements. However, there may be opportunities for efficiencies through investment in these technologies but they are out of scope for this project. Additional capacity for *new* work would be costed separately.
2. Where possible staff will move their existing pc/laptop/tablet/printer and telephony hardware/software licenses in to the new integrated service. The hardware is of an appropriate specification and condition to be supported in the new joint service.
3. The cost to migrate data and licenses will need to be investigated with the individual application owners once the decision has been made regarding which applications will be used by the joint H&I service and which of the LAs will act as the host (See Appendix 3). Without this information at a specific application level it is difficult to make an assumption on any savings or additional costs that may be incurred in relation to systems usage. Additional hardware and specialist consultancy charges are also likely to be incurred to accommodate any systems migrations from one authority to another.
4. The systems used by both DCC and CCBC are detailed the joint ICT report (*Appendix 5*).
5. The 200 Highways and Infrastructure (H&I) staff number is apportioned on a 50/50 ratio with 100 staff currently CCBC employees and 100 currently DCC employees. Therefore, each ICT service will be taking on an additional 100 staff to support.

6. The merger of existing systems or implementation of replacements for the Joint Highways and Infrastructure Service will carry a substantial additional overhead on both ICT Services as the migration work is undertaken and consequential network or server infrastructure improvements are introduced. Consultancy costs from existing and new ICT providers are likely to be high but Conwy and Denbighshire can provide specialists in technology areas such as Networks, Telephony, Virtualisation, SAN, Citrix, AD, SQL, Desktops and Security to help limit the requirement for external expertise.
7. An estimated additional cost of £75k has been put forward as a reasonable, 'transitional' charge to allow a contribution towards resourcing the extensive additional workloads brought about in managing this merger for the hosting ICT service. Resource could not be freed up from the non-hosting Council as officers are not purely dedicated to Highways work and instead deliver IT support and management services across the Council. This transitional fund should be put in place for an initial period of 2 years with an agreement to review at the end of this term.
8. Each ICT service will work in partnership to support transfer of skills wherever possible to enable officers in the host service to support systems and technologies operated by the integrated H&I service. This will help alleviate some of the demand and costs associated with training/3<sup>rd</sup> party consultancy.
9. Where systems are common across Conwy and Denbighshire, all licences transfer at no additional cost.

## 9.2 ICT Costs

The following summary of additional ICT costs will contribute to the overall *running* and *transitional* costs detailed in *Section 10 – Financial Model*.

Table 8

	<b>Option 1</b> Re-location of Heath based staff to the Caledfryn site	<b>Option 2</b> Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-service Areas where appropriate	<b>Option 3</b> Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)
<b>Transitional Costs</b>	<b>£211k</b>	<b>£222k</b>	<b>£272k</b>
<b>Annual Costs</b>	<b>£61k</b>	<b>£52k</b>	<b>£72k</b>

The table reflects the highest costs and is based on general ICT and (H&I and Corporate) software specific costs. It excluded costs associated with common software across the two LAs.

It is important to note that where systems are common across Conwy and Denbighshire, an assumption has been made that all licences will transfer at no additional cost (see assumption 9 above) and therefore these are excluded from the totals above and the full Financial Model. The total liability has the potential (worst case scenario) to reach an additional estimated £292k in set up costs and £162k annual costs.

A full breakdown of ICT costs is available in *Appendix 5*.

## 10. Financial Model

It is not the intention to compare this financial model against the current H&I budgets. The purpose is to provide an indication of the potential costs/savings to each council for integrating the service. Therefore, this model will include both service and corporate costs/savings.

It is also important to note that whilst on-costs at 30% have been added to the costs of staffing the new structure, this will not cover the full costs of the Host LA providing support services. It is the assumption at this time that the host LA will charge no more than the costs currently incurred by the delegating LA.

The following costs are additional revenue and transitions costs attributed to (i) staffing the new structure, (ii) accommodation options and (iii) ICT.

All aforementioned assumptions and limitations apply.

Table 9

### Additional Costs of the New Integrated Service Design

**Accommodation Option 1:** Relocation of Heath based staff to the Caledfryn site

**Accommodation Option 2:** Retain Caledfryn & Heath sites, reorganising the staff according to Service / Sub-service areas where appropriate

**Accommodation Option 3:** Staff from the Heath & Caledfryn to be relocated in a building formally used as office space (St Asaph Business Park)

\* based on the assumption that all staff transfer and move accommodation in Year 1

	Option 1			Option 2			Option 3		
	Year 1*	Year 2	Year 3	Year 1*	Year 2	Year 3	Year 1*	Year 2	Year 3
<b>Running Costs</b>									
1 Staffing the Structure	(389,974)	(389,974)	(389,974)	(389,974)	(389,974)	(389,974)	(389,974)	(389,974)	(389,974)
2 Parking Penalty Processes & Parking	£48,913	£38,913	£38,913	£48,913	£38,913	£38,913	£48,913	£38,913	£38,913
ICT	£61,000	£61,000	£61,000	£52,000	£52,000	£52,000	£72,000	£72,000	£72,000
Accommodation	£20,723	£28,473	£28,473	£0	£0	£0	£115,723	£123,473	£123,473
4% JE Contingency	£337,368	£337,368	£337,368	£337,368	£337,368	£337,368	£337,368	£337,368	£337,368
<b>Total Additional Running Costs</b>	<b>£78,030</b>	<b>£75,780</b>	<b>£75,780</b>	<b>£48,307</b>	<b>£38,307</b>	<b>£38,307</b>	<b>£184,030</b>	<b>£181,780</b>	<b>£181,780</b>
<b>Transitional Costs</b>									
Redundancy	£334,263	£0	£0	£334,263	£0	£0	£334,263	£0	£0
ICT	£211,000	£0	£0	£222,000	£0	£0	£272,000	£0	£0
Accommodation	£250,000	£0	£0	£100,000	£0	£0	£200,000	£0	£0
<b>Total Transitional Costs</b>	<b>£795,263</b>	<b>£0</b>	<b>£0</b>	<b>£656,263</b>	<b>£0</b>	<b>£0</b>	<b>£806,263</b>	<b>£0</b>	<b>£0</b>
<b>3 Total Additional Costs</b>	<b>£873,293</b>	<b>£75,780</b>	<b>£75,780</b>	<b>£704,570</b>	<b>£38,307</b>	<b>£38,307</b>	<b>£990,293</b>	<b>£181,780</b>	<b>£181,780</b>

Notes:

- 1 Net savings from staffing the new structure before additional costs are applied
- 2 Year 1 includes one off joining fees of £10k
- 3 Total Transitional and Running Costs by year (excluding the Pensions Deficit estimate)

## 10.1 Financial Analysis

It is the finding of this project that proceeding with an Integrated Highways and Infrastructure Service across Conwy and Denbighshire will not deliver any cashable savings in (at least) the first three years.

### **Option 1 - Relocation of Heath based staff to the Caledfryn site**

Additional running cost are anticipated for the first year in the region of £78k, reducing to an estimated £76k in years two and three. Transitional costs would be required in the region of £800k.

### **Option 2 - Retain Caledfryn & Heath sites, reorganising the staff according to Service / Sub-service areas where appropriate**

As the least expensive option, additional running costs are anticipated for the first three years in the region of £48k, reducing to an estimated £38k in years two and three. Transitional costs would be required in the region of £656k.

### **Option 3 - Retain Caledfryn & Heath sites, reorganising the staff according to Service / Sub-service areas where appropriate**

As the most expensive option, additional running costs are anticipated for the first three years in the region of £184k, reducing to an estimated £182k in years two and three. Transitional costs would be required in the region of £806k.

## 10.2 Potential for Future Savings

There are already aspects of the Highways and Infrastructure Service across Conwy and Denbighshire that are collaborating with a Joint Service Manager appointed; namely Street Lighting and Passenger Transport. Any savings realised from these areas of integration over the last three years are set out as received from the Head of Service in Section 3.3 of this report.

There may be potential for further savings through the integration of sub-service areas in Phase two, however, it is not the purpose of this report to identify the full extent of any such benefits and potential savings – this work will be undertaken in Phase 2 of the project.

What can be reported is that the expectation for sub-service full integration is in meeting the Project Benefits, rather than yielding significant financial savings. There may be savings to be made by reviewing processes and procedures (e.g. tendering for contracts), but we need to question if these can be achieved through 'soft' collaboration (sharing good practice), rather than being reliant on full integration. We need to be ever mindful that financial savings through full integration are more commonly and initially achieved through redundancies, which can have significant transitional costs attached.

## 10.3 Charging Methodologies

In October 2011, a H&I Integrated Service 'Financial Implications' report was submitted to the Collaboration Officers Group which states:

*"The distribution formula ought to be as straightforward as possible so it is easily understood. Service level Indicator Based Assessments (IBAs) are an independent, pre-existing proxy for need. They are a key element used to calculate SSA and ultimately drive out the RSG formula. The basic components and proportions would be as follows:*

	Denbighshire £'000	Conwy £'000	Indicators
School Transport	3,192	3,602	Population aged 3-15 Area
Road Maintenance	6,412	6,814	Population Weighted Road Length Traffic Flow
Street Lighting	958	1,219	Street Light Units
Public Transport	589	847	Settlement Threshold Population
Concessionary Fares	367	451	Population
Road Safety	197	318	Urban Road Length Population
<b>Total IBA</b>	<b>11,715</b>	<b>13,251</b>	
<b>% IBA Distribution</b>	<b>46.92%</b>	<b>53.08%</b>	

*It would be preferable if the above could be used as the basis to apportion all savings in future but it may transpire, as the service structure emerges, that a second tier service level agreement may have to be devised if the IBA approach doesn't lend itself effectively to some areas. That said, to determine a mechanism that is more detailed and therefore complicated, would probably involve a considerable effort and achieve broadly the same result. It also means more discretion may have to be introduced which may be subject to challenge politically. Therefore the IBA based allocation should be the 'norm' with other arrangements being exceptional. The theory would dictate that as service areas are pooled and service delivery plans for each council established, all net savings arising as a result of collaboration are apportioned on the basis above, regardless of where the saving originated. This type of formulaic distribution of savings would have to be assessed over the entire collaboration programme and therefore over a three or four year period rather than focussing on individual element in any one year."*

## 11. HR Model

It will be necessary to consult with unions on the process for managing the change with staff (a number of meetings to consult on the project approach and the draft service design have already taken place). It will also be necessary to agree a detailed timetable for consultation, recruitment, redeployment, redundancy activity with all employing organisations and the unions.

There have been a number of pieces of work already undertaken on the alignment of culture and induction to a new organisation, which will form the basis of the HR approach. In addition, further discussion is required to identify opportunities to align culture and build the new team ethos within the service.

Key areas for consideration include:

- Responsiveness and Culture;
- Perceptions of influence including employer/employee perception to ensure a unified approach to the delivery of a Joint Highways & Infrastructure Service; and
- Resourcing the HR issues so they do not excessively delay the implementation of the new service.

A comprehensive review of existing job descriptions will have to be undertaken to ensure that they are 'fit for purpose' and meet the requirements of the joint service. In addition, a number of new job descriptions will have to be developed, agreed and evaluated to support the new roles within the proposed structure.

### 11.1 TUPE Arrangements

Members of staff who are currently engaged in delivering the Highways & Infrastructure 'in-scope' functions through their individual organisations, may have a right to transfer to the new structure, which will be providing that function on a shared service basis. This transfer would be subject to TUPE regulations. Under these regulations, members of staff will transfer with at least their existing statutory employment rights and contractual entitlements.

Any resulting redundancies would be the responsibility of the host authority.

### 11.2 Salary Ranges

Both Authorities use the GLPC job evaluation scheme, however how this is applied across the two authorities does vary due to the development of local conventions.

Once a host authority has been agreed, all future job evaluations should be undertaken in accordance with the host authority evaluation schemes.

### 11.3 Policies & Procedures

A complete review of policies and procedural differences across the two authorities will need to be undertaken. This will need to be carried out by the host authority to ensure that correct policies, procedures and terms and conditions are applied to the employee. There will also need to be a commitment by the new employer to agree a pay, terms and conditions harmonisation strategy within 3-5yrs of the new structure formation, in order to address any equal pay issues in line with legislation.

However for managing the transfer process, there needs to be a common process and policies for:

- **Redeployment** (the process not entitlements such as pay protection);
- **Applications for Premature retirements** (the process not the entitlements);



- **Job matching;**
- **Recruitment and Selection to the new posts;**
- **Redundancy Management** (however in terms of redundancy entitlements the employees current terms and conditions will apply and so consultation will not be required on this aspect);
- The **Sickness Absence Policy;** and
- **Flexi time** arrangements.

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## 12. Risk Management

The process for identifying, assessing, managing and monitoring risk is an integral part of project management. The continual identification and assessment of risk is key to the successful delivery of our objectives.

The changing external environment and the decisions made in the course of delivering the project, will continuously alter the status of risks identified and new risks emerging. The risk assessment process should support this ongoing and forward-looking identification and assessment of risk as part of the project.

The risk register for this project was developed during the Visioning Workshop (April 2012), in a session that looked at; *'what could possibly go wrong?'* and *'what is already, or could act as a poison to prevent the collaboration reaching a successful conclusion?'*

The participants were asked to consider:

*Internal factors* e.g. the partners in the collaboration; shared vision; direction and momentum; management of stakeholders; appropriate consultation; of commitment; key calendar dates etc

*External factors* e.g. Political, Economic, Sociological, Technological, Legal & Environmental factors

Highways and Infrastructure staff were informed of the risk register in the May 2012 Newsletter and invited to share any risks throughout the duration of the project.

The Project Manager will actively manage project risks, and put in place a mechanism to ensure those allocated responsibility for mitigating risks, are proactively working to ensure the mitigation. In order to facilitate this, the owners of risks are required to provide an update at regular intervals at the request of the project manager. The Risk Register is formally reviewed bi-monthly.

The full project risk register (as at July 2012) is attached as *Appendix 6*.

### 13. Summary of Findings

Section 1 of this report states that one of the purposes of this document is to ‘consider if delivering a joint (fully integrated Conwy and Denbighshire Highways and Infrastructure) service is likely to result in a better service that costs less’.

This report reviews the costs and benefits in relation to a new service design, under three accommodation options:

- Option 1: Re-location of Heath based office staff to the Caledfryn site
- Option 2: Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate
- Option 3: Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)

The financial model in Section 10 uses the highest costs associated with:

- HR - staffing the new service, JE contingencies and redundancy (section 7);
- Accommodation – moving, lease, running and corporate costs (section 8); and
- ICT - based on using the existing equipment and software (section 9);

Whilst it is not the purpose of this report to identify any savings at a sub-service level, it is recognised that there may be savings to be made from integration further down the structure (e.g. tendering for contracts, reviewing processes and working practices), however, we need to question if these can be achieved through ‘soft’ collaboration (sharing good practice, partnerships), rather than being reliant on full integration?

Table 11

	Option 1			Option 2			Option 3		
	Year 1*	Year 2	Year 3	Year 1*	Year 2	Year 3	Year 1*	Year 2	Year 3
Total Additional Running Costs	£78,030	£75,780	£75,780	£48,307	£38,307	£38,307	£184,030	£181,780	£181,780
Total Transitional Costs	£795,263	£0	£0	£656,263	£0	£0	£806,263	£0	£0
Total Additional Costs	£873,293	£75,780	£75,780	£704,570	£38,307	£38,307	£990,293	£181,780	£181,780

**It is the finding of this report that full integration of the service, under any of the above three accommodation options, will require additional annual revenue (cost more), and will incur significant transitional costs.**

The second question ‘will full integration between Conwy and Denbighshire result in a better service?’ is more difficult to measure in the absence of robust working examples. We can however, start by considering the expected improvements from full integration outlined in this report (section 6.3), against the expected project benefits.

Here we will again need to question if the following expected improvements can also be achieved through ‘soft’ collaboration (sharing good practice, partnerships), rather than being reliant on full integration?

	Anticipated Project Benefits	Expected Improvements
1	Increased customer satisfaction	By combining the staff and bringing together the best practices of both authorities, the integrated service will be able to develop one consistent approach for customer standards and management.  Within the new structure there is an opportunity to

		<p>develop a 'community relationship' role for each of the senior managers in the joint service. The role will act as a key contact in areas for Members, community groups and community councils. It is important that a strong area presence and knowledge is maintained and enhanced to provide a high quality service.</p> <p>A fully integrated team provides greater capacity to deal with the peak periods experienced by customers (e.g. home to school transport).</p>
2	The whole service is recognised as a high performing service	<p>Through Asset Management being brought into the core of the service (under Business Development), it will drive the decision making across the service, and determine the activities across many parts of the service.</p> <p>The proposal is for a Quality and Innovation Manager post to be created, which would harvest best practice from the public and private sector. This is a really important element of establishing the new service to ensure that there is a culture of continuous improvement and challenge.</p> <p>Across the whole service there will be consistently robust processes and minimal duplication.</p> <p>Combined teams will ensure we have a clear direction and clear priorities on our policies, which gives us a strong voice in TAITH and in national transport forums.</p>
3	Improved development and career opportunities for new and existing employees	<p>There will be better opportunities for skill sharing and development, given the benefits that will arise by combining both Authorities' Highways knowledge and skills.</p> <p>Staff co-located in same service or sub-service teams, will have shared access to new opportunities.</p>
4	Increased flexibility in and efficient use of limited resources	<p>Through Asset Management being brought into the core of the service (under Business Development), it will ensure the most effective deployment of resources, and ensure principles of whole life cost are utilised to best effect.</p> <p>Economies of scale for procurement can be achieved across the service by only needing to prepare tender documents once, which requires less officer time and effort. In addition, tenders which have a greater value of work will often attract more competitive rates.</p> <p>Across the service there will be extra capacity, resilience, and flexibility to be able to; manage peaks in workload; target problem areas, deal with staff changes through absence and turnover, and strengthen succession planning.</p> <p>The combined teams will release capacity to develop strategies that will meet regional and national agendas, and ensure that the potential for external funding sources are optimised.</p> <p>There are opportunities to share the cost of developing depot facilities, and increase the services offered to NMWTRA from a larger joint team which could help offset the cost of the labour, plant and equipment to the</p>

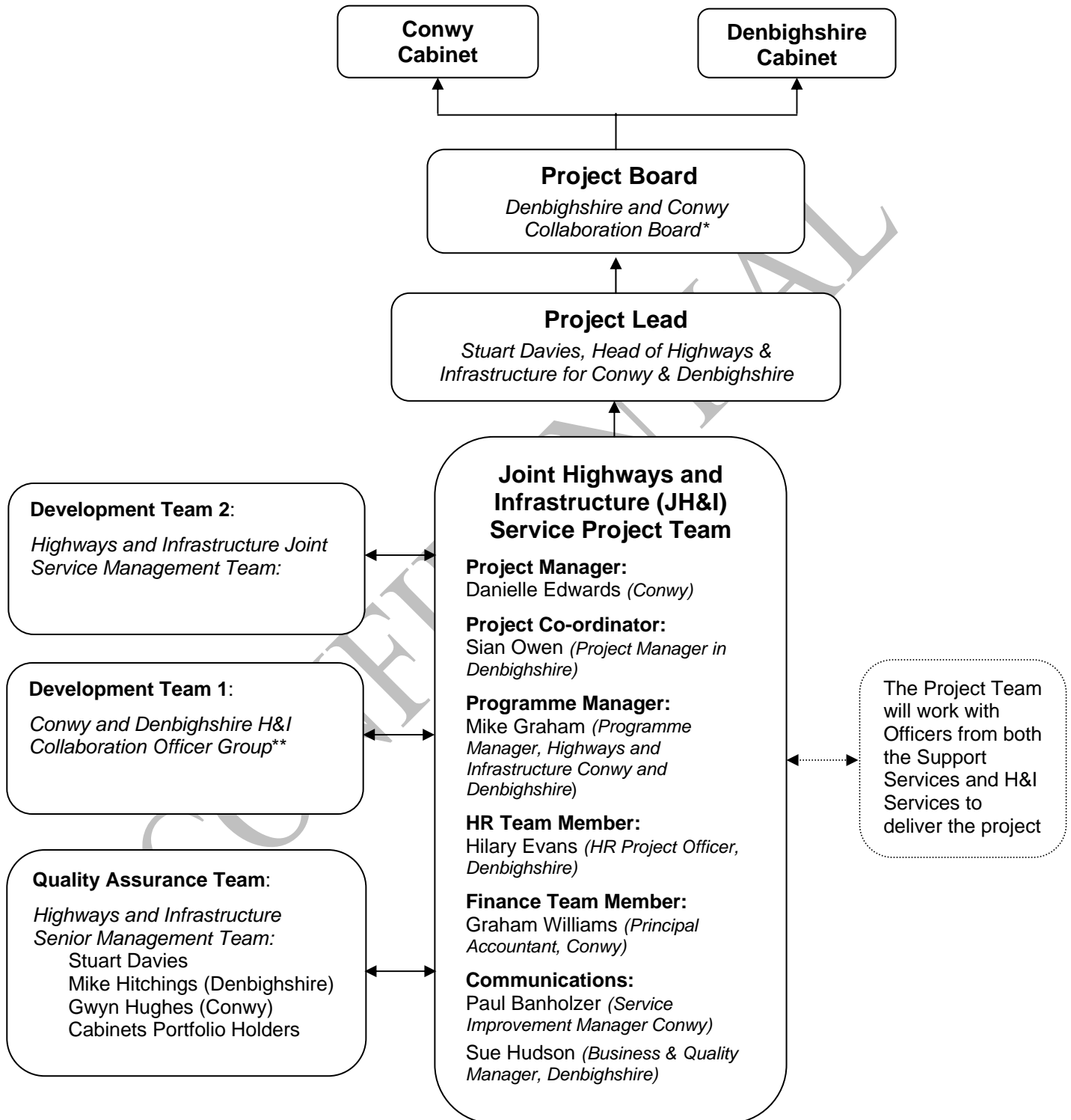
		authorities.
5	More robust legal compliance	<p>Centralising 3rd Party Claims and recharges will enable robust approaches for defence of claims and recovery of money against 3rd parties. It will ensure weaknesses are monitored and procedures and policies revised, helping to maximise cost recovery and minimise exposure to claims.</p> <p>Across the whole service there will be consistently robust processes and minimal duplication.</p>
6	Improved contribution to strategic agendas	<p>Combined teams would have increased capacity and capability to direct resources to strategic priority areas, and to develop strategies that will meet regional and national agendas and ensure that the potential for external funding sources are optimised to tackle the priorities of both authorities.</p>

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**Joint Highways and Infrastructure Fully Integrated Service:  
Project Governance Structure**

\* Representation across the two LAs from; Chief Executives, Corporate Directors, Council Leaders, Portfolio holders, Scrutiny committees.

\*\* Representation across operational and support services for Highways and Infrastructure in Conwy and Denbighshire.



## Breakdown of Functions under the New Joint Service Structure

Where a function has been moved from one sub-service area to another, it will state '(Moved from.....)'.  
 Opportunities for a better service have also been included under the sub-service areas.

Opportunities for a better service have also been included under the sub-service areas.

### 1. Aligned Sub-Service Areas

Service Area & Sub-service Areas	Functions
<b>Business Development</b>	
Business, Quality & Customer Management	<ul style="list-style-type: none"> <li>▪ Performance Management, Risk Management, Business Planning, Crisis Mgt and Service Continuity</li> <li>▪ Collation of information relating to insurance claims against the Council</li> <li>▪ PA duties to HOS</li> <li>▪ Welsh Language, Equalities</li> <li>▪ Sustainability and Communications</li> <li>▪ Maintenance and improvement of the ISO 9001 Quality Management System</li> <li>▪ Service delivery improvements through the development of codes of practice and standards</li> <li>▪ Web information and publications</li> <li>▪ Monitoring and Co-ordination of responses to Complaints and Queries</li> <li>▪ Full administrative support to whole service</li> <li>▪ Freedom of Information / Data Protection Issues</li> <li>▪ Premises Administration - Co-ordination of repairs and maintenance to building</li> <li>▪ Carrying out co-ordination duties to ensure the quality and availability of ICT &amp; office equipment provision</li> <li>▪ (Moved from various sub-sections) Third party claims administration</li> <li>▪ (Moved from various sub-sections) Liaison and management of third party insurance claim defence</li> </ul> <p><b>Opportunity1:</b> Identify innovation through development – a specific role  <b>Opportunity2:</b> Co-ordinate on Health and Safety across the service  <b>Opportunity3:</b> Align, maintain and develop Quality Assurance across the Service  <b>Opportunity4:</b> Coordinate the Customer Relationship role (as part of each Service Area Managers responsibility)  <b>Opportunity5:</b> Rechargeable works costs – Finance or Business function?</p>
Asset Management	<ul style="list-style-type: none"> <li>▪ Maintaining databases of Highways assets and inspections</li> <li>▪ Keep and update the Register of highways together with the administration of Local Land Searches</li> <li>▪ Determine asset valuation data</li> <li>▪ Manage the asset management system &amp; PDA devices and support departmental users</li> <li>▪ Keep and update the Local Street Gazetteer (Conwy only)</li> <li>▪ Procure and process highway condition data (UKPMS)</li> </ul> <p><b>Opportunity1:</b> Traffic data fed into asset management  <b>Opportunity2:</b> Potentially providing this service to other authorities (income generation)</p>
Parking Penalty Processes	<ul style="list-style-type: none"> <li>▪ Penalty Charge Notice (PCN) processing</li> </ul>
<b>Coastal &amp; Countryside</b>	
Harbour Management (Conwy & Foryd) & Maritime Service	<ul style="list-style-type: none"> <li>▪ Management and operation of Foryd Harbour functions, including navigation, moorings, berthing, maintenance, inspections, issuing of moorings, navigational aids</li> <li>▪ Development of operating systems for Harbour and Maritime functions</li> <li>▪ Operation &amp; Management of the Foryd Boat Park, boat lifting and movement operations, collection of fees and charges, maintenance of equipment (in CCBC and Harbour car parks)</li> <li>▪ Conwy Harbour</li> <li>▪ Rhos on Sea</li> <li>▪ Management of Slipways, Beaches, Foreshores</li> <li>▪ Beach Award applications</li> </ul>
Public Rights of Way	<ul style="list-style-type: none"> <li>▪ Rights of Way maintenance</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Compliance with ROWIP</li> <li>▪ Definitive map and public path orders</li> <li>▪ Enforcement</li> <li>▪ Facilitating the 'Access Forum' (statutory requirement)</li> </ul>
<b>Major Projects and Bridges</b>	
Major Projects	<ul style="list-style-type: none"> <li>▪ <b>(Moved from Bridges and Structures)</b> Project Management of Regeneration led construction projects</li> <li>▪ Design, procurement, cost consultancy, construction management and CDM-C services</li> <li>▪ Project management support for infrastructure and highways schemes, urban regeneration, coastal works and transport related schemes</li> <li>▪ Highways design Consultancy services for North and Mid Wales Trunk Road Agent</li> <li>▪ Design function for highways and civil engineering projects county projects</li> </ul> <p><b>Opportunity1:</b> Section 278 Agreements – offer full package of design, tender, and site supervision. Fees to be made. Must consider costs benefits and risks.</p> <p><b>Opportunity2:</b> Strong commercial focus resulting from combined Major Projects functions.</p>
Bridges & Structures	<ul style="list-style-type: none"> <li>▪ Maintaining, replacing and providing new footbridges on Public Rights Of Way</li> <li>▪ Liaising with other highway bridge owners, such as Network Rail</li> <li>▪ Dealing with CADW on works to highway structures designated as Ancient Monuments or Listed buildings</li> <li>▪ Routine/cyclic maintenance and programmed works supervision for internal and NWMTRA clients</li> <li>▪ Undertaking General, Principal and Special Inspections and assessments for internal and NWMTRA clients</li> <li>▪ Implementation of the requirements of the Code of Practice for Highway Structures</li> <li>▪ Managing proposals by statutory undertakers to lay apparatus (ducts, pipes, etc) on or near highway structures</li> <li>▪ Managing design consultants and specialist consultants/ contractors (Preliminary investigations, detailed design, preparation of contract documents and site supervision) for Bridge Works</li> <li>▪ Technical Approval of all new or altered structures on or adjacent to the highway and all structures on or adjacent to highways to be adopted</li> <li>▪ Writing briefs for the procurement of specialist consultants/contractors to carry out Bridge Works</li> </ul> <p><b>Opportunity1:</b> Need County Bridges Manager and small team. Knowledge of assets required for quick response. Call on pool of engineers for design, principal inspections.</p>
<b>Passenger Transport (inc. Public Transportation)</b>	
Education Transport Service	<ul style="list-style-type: none"> <li>▪ Administer school and college contracts for Conwy and Denbighshire</li> <li>▪ Operate the DCC yellow school bus (DCC Only)</li> </ul>
Public Transport (Concessionary fares, installation & repairs of bus shelters, timetable information)	<ul style="list-style-type: none"> <li>▪ Administer the free concessionary travel system for both Conwy &amp; Denbighshire, assessing eligibility, making payments to operators and producing travel passes</li> <li>▪ Produce and install roadside publicity for Denbighshire and install (only)for Conwy</li> <li>▪ Undertake bus service infrastructure installations and repairs for both Conwy &amp; Denbighshire</li> <li>▪ Administer bus service contracts and agreements for Denbighshire (DCC Only)</li> <li>▪ Rail policy liaison (DCC Only)</li> <li>▪ Community TPT (DCC Only)</li> <li>▪ Assess network for socially necessary bus services</li> </ul>
<b>Streetworks &amp; Parking Management</b>	
Streetworks	<ul style="list-style-type: none"> <li>▪ <b>(Moved from Bridges and Structures)</b> Review and manage route notifications from hauliers in respect of the movement of abnormal loads</li> <li>▪ Assessment of proposals by statutory undertakers to carry out works to maintain their assets on the highway</li> <li>▪ Amending Statutory undertakers proposals (timings and locations of works) using New roads and street works Act 1991</li> <li>▪ Undertaking Network Management duty, relating to the Traffic Management Act</li> </ul>



	<p>2004</p> <ul style="list-style-type: none"> <li>▪ Maintain and up keep of the Street works register</li> <li>▪ Co-ordinate all works on the highway</li> <li>▪ Fixed penalty notices as permitted under legislation</li> <li>▪ Temporary traffic orders on the highway</li> <li>▪ Inspections of works on the Highway, issuing defects notices as set out in New roads and street works Act 1991 as required</li> <li>▪ Licence activities on the highway</li> <li>▪ Approval and inspection of temporary traffic management</li> <li>▪ Management of events on the Highway</li> <li>▪ Licence Skips, Scaffolds/Hoardings, containers and cherry pickers on the highway</li> <li>▪ To provide all of the street Works functions above to NMWTRA . with the exception of Temporary Traffic orders</li> </ul>
Parking	<ul style="list-style-type: none"> <li>▪ Management of Marine Drive (CCBC Only)</li> <li>▪ Civil parking enforcement</li> <li>▪ Car park management, cash collection</li> <li>▪ Car park permit issue/control (e.g. residential schemes)</li> <li>▪ Penalty charge notice processing (deals with most aspects of the processing of PCNs up to the traffic penalty tribunal stage)- elements relating to write-offs and debt recovery</li> </ul>
<b>Highways Safety &amp; Improvement</b>	
Traffic / Engineering Policy (TAITH e.g. walking, cycling)	<ul style="list-style-type: none"> <li>▪ General highways infrastructure improvements to increase traffic flow and capacity</li> <li>▪ Representation at TAITH Regional Transport Consortium</li> <li>▪ Traffic Regulation and Control - Speed limits, one way streets, parking restrictions etc</li> <li>▪ Safer Routes in Communities initiative</li> <li>▪ Collection and analysis of traffic data - traffic flows, traffic speeds and accident data</li> <li>▪ Transport planning - forward planning of improvements to the highway network</li> <li>▪ Design, procurement and installation of road safety engineering measures</li> <li>▪ Infrastructure provision to assist pedestrians</li> <li>▪ Investigation and provision of cycling facilities</li> <li>▪ Function of being involved in all aspects of 'Aids to Movement' incorporating provision of road signing, road markings and the management of traffic movements through traffic regulation orders</li> <li>▪ Management, inspection and maintenance of traffic signal installations* (*DCC ONLY)</li> <li>▪ (Moved from Street Lighting) New traffic signals</li> <li>▪ Creation of new cycle routes</li> </ul>
Accident Investigation & Road Safety	<ul style="list-style-type: none"> <li>▪ Running the School Crossing Patrol Service</li> <li>▪ Road safety education, training and publicity</li> <li>▪ Road traffic accident investigation and remedial schemes</li> <li>▪ Informal traffic safety inspections</li> <li>▪ Road safety audit</li> <li>▪ Informal safety checks (small schemes)</li> </ul>
Highway Development Control	<ul style="list-style-type: none"> <li>▪ Review pre-Planning and Planning applications that will have an affect on the highway network or individual portions of it, recommending alterations or acceptance of developers' proposals</li> <li>▪ Contributing to the Local Development Plan</li> <li>▪ (Moved from Streetworks) Private street works code administration, private streets urgent repairs, advanced payment code, observations on development proposals</li> </ul>
<b>Network Maintenance &amp; Street Lighting</b>	
Highway Maintenance	<ul style="list-style-type: none"> <li>▪ Undertake routine and detailed safety inspections to provide statutory defence under Section 41 Highways Act 1980</li> <li>▪ (C) Complaints investigation - Public, Town &amp; Community Councils, Elected Members MP's &amp; AM's</li> <li>▪ Enforcement issues under Highways Act 1980 - Service of notices under appropriate legislation</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Supervision of Planned, Reactive and Cyclic maintenance works in accordance with Code of Practice</li> <li>▪ Winter Maintenance function <i>and extended ARGY contractors</i></li> <li>▪ Maintenance of cycle routes (<i>DCC Only, ETS in Conwy</i>)</li> <li>▪ <i>(Moved from Streetworks)</i> Both Section 38 and Section 278 (Highways Act 1980) Agreements (<i>adoption of Highways</i>)</li> <li>▪ Identify rechargeable works following damage to highway assets (income recovery)</li> <li>▪ Provision of emergency out of hours service</li> <li>▪ Deal with highway flooding and other emergency events/situations</li> <li>▪ <i>(Moved from Parking Services)</i> Maintenance of Marine Drive (scenic Conwy drive around Great Orme's Head)</li> <li>▪ <i>(Moved from Traffic)</i> Management inspection and maintenance of traffic signs, road markings, street name plates, pedestrian guardrail, high friction surfacing (CCBC Only)</li> <li>▪ <i>(Moved from Parking Services)</i> Car Parks maintenance (e.g. Surface, white lines and barriers)</li> </ul> <p><b>Opportunity1:</b> Inspection and maintenance of multi story and underground car parks (<i>Comment1: Good – better skills to carry out inspections than Parking staff</i>)</p> <p><b>Opportunity2:</b> Inspections undertaken on PMAS behalf (i.e. un-adapted areas of Highways) – possible income generation</p>
Street Lighting	<ul style="list-style-type: none"> <li>▪ Undertaking routine and detailed inspections and assessments</li> <li>▪ <i>(Moved from Network Maintenance)</i> Identify rechargeable works following damage to highway assets (income recovery)</li> <li>▪ Routine/cyclic maintenance and programmed works and supervision</li> <li>▪ Raising of routine maintenance schemes of work for revenue and capital works instructions</li> <li>▪ Deliver emergency and planned maintenance works inclusive of County and Trunk Road Cyclic and Minor works.</li> <li>▪ Oversee, review and approve Section 38 and 278 applications.</li> <li>▪ Routine and reactive maintenance for NWTRA.</li> <li>▪ Provision of emergency out of hours cover.</li> <li>▪ Management, design, inspection and maintenance of all illuminated street furniture.</li> <li>▪ Management, design, inspection and maintenance of all traffic signals (CCBC only).</li> <li>▪ Design, procurement and installation of Street Lighting replacement schemes.</li> </ul>
Highway Works Unit	<ul style="list-style-type: none"> <li>▪ <i>(Moved from Major Projects)</i> Routine and reactive operation and maintenance activities for North &amp; Mid Wales Trunk Roads Agency</li> <li>▪ <i>(Moved from Network Maintenance)</i> Service provider for Trunk Road Maintenance</li> <li>▪ <i>(Moved from Civils / Highway Operations)</i> Carriageway Surface Dressing</li> <li>▪ <i>(Moved from Civils / Highway Operations)</i> Winter Maintenance Provision</li> <li>▪ Deliver planned maintenance works – (cyclic and) minor improvements, carriageway and footway patching, horticulture, drainage on County and Trunk Roads.</li> <li>▪ Deliver Cyclic Maintenance functions on County and Trunk Roads including gully emptying.</li> <li>▪ Deliver emergency highway maintenance activities on County and Trunk Road Network e.g. Category 1 defects.</li> <li>▪ Provide an emergency response service inside and outside normal working hours on County and Trunk Roads.</li> <li>▪ Recharging NMWTRA works through the Schedule of Rates</li> </ul>

*Additional Opportunities for consideration:*

- In order to maximise efficiency, an evaluation of the client and contractor roles will need to be undertaken to include a process mapping session to determine which process currently in place within CCBC or DCC would be most beneficial in terms of service delivery whilst also providing the scope for achieving financial savings. There is a significant amount of duplication at present and taking a 'twin hatted' approach thus

removing the client and contract roles is the way forward as we have found within Street Lighting.

- As mentioned during the meeting, there is a considerable amount of duplication in some of the operational functions which are undertaken in several sub service functions such as the approval of Section 38 and 278 applications, processing third party rechargeable claims and design works. I believe that there may be an opportunity to align some of these functions under one section.
- The use of internal expertise as opposed to external consultants

## 2. Non Aligned Sub-Service Areas

Service Area & Sub-service Areas	Functions
<b>Business Development</b>	
Finance	<ul style="list-style-type: none"> <li>▪ Provide a full range of professional accountancy services to Senior Managers of the Highways and Infrastructure Service.</li> <li>▪ To be responsible for the budget preparation, monitoring and control of all divisional budgets, in accordance with the policies and procedures established by the Authority</li> <li>▪ Provide financial information, advice and support to Senior Managers of the Highways Department responding promptly to service pressures and taking appropriate corrective action</li> <li>▪ Completion of financial and non-financial returns for the National Assembly and other agencies including Revenue Outturn (RO's) and Revenue Account (RA's) forms, CIPFA statistics and the preparation of various Grant Claims for submission to the National Assembly Trunk Road partnership and the District Auditor in accordance with established timescales</li> <li>▪ Manage the day to day maintenance and control of the stores service, taking particular responsibility for the ongoing review of stock lines and levels, as well as receipting, issuing, security and control of stock</li> </ul> <p><b>Opportunity1:</b> Finance section in CCBC Highways but centralised in DCC (external to DCC Highways). Explore opportunities to re-align.</p>
Fleet Management & Maintenance	<ul style="list-style-type: none"> <li>▪ Operators License</li> <li>▪ Vehicle maintenance external customers</li> <li>▪ Vehicle Maintenance internal departments</li> <li>▪ Tachograph fitment and calibration</li> <li>▪ Section 19 Permits</li> <li>▪ Vehicle/Plant, spare parts, general hire etc tendering to E.U. requirements</li> <li>▪ HGV - PSV - Class 4,5,7 MOT testing</li> <li>▪ Fuel Management</li> <li>▪ Vehicle Tracking</li> <li>▪ Accident management</li> <li>▪ LOLER inspections</li> <li>▪ Vehicle Hire</li> <li>▪ E.U. and Domestic Drivers Hours</li> <li>▪ Vehicle Cleaning</li> <li>▪ Taxi and Private Hire Compliance testing</li> </ul> <p><b>Opportunity1:</b> Fleet Management &amp; Maintenance is currently a sub-service area within the H&amp;I Service in DCC, and within the Environmental Service in CCBC - explore opportunities to re-align to either H&amp;I or Environmental Services</p>
Emergency Planning	<ul style="list-style-type: none"> <li>▪ Emergency Response in DCC</li> </ul> <p><b>Opportunity1:</b> Emergency Planning is currently a sub-service area within the H&amp;I Service in DCC, and within the Corporate Civil Contingencies Unit in CCBC (although a responsible officer has been identified within Conwy H&amp;I – namely the Service Improvement Manager). Explore opportunities to re-align.</p>
<b>Coastal &amp; Countryside</b>	
Countryside Services	<ul style="list-style-type: none"> <li>▪ Biodiversity (<i>statutory and discretionary elements</i>)</li> <li>▪ Nature Reserve Management (<i>statutory and discretionary elements</i>)</li> <li>▪ Countryside Access promotion</li> <li>▪ Coed Cymru</li> </ul> <p><b>Opportunity1:</b> Countryside Services is currently a sub-service area within the H&amp;I Service in CCBC, and within the Environmental Service in DCC - explore opportunities to</p>

	re-align to either H&I or Environmental Services
<b>Major Projects &amp; Bridges</b>	
Flood & Coastal Protection (inc. Drainage for DCC only)	<ul style="list-style-type: none"> <li>▪ Obtaining Welsh Government grant aid for Capital Works on Flood Alleviation Schemes</li> <li>▪ Writing briefs for the procurement of specialist consultants/contractors</li> <li>▪ Managing design consultants and specialist consultants/ contractors (Preliminary investigations, detailed design, preparation of contract documents and site supervision) in connection with flood alleviation schemes</li> <li>▪ New duties currently being defined as a result of the new Flood &amp; Water Management Act. Including consenting of works to ordinary watercourses and the investigation of flooding</li> <li>▪ Maintaining a databases of flood defence infrastructure</li> <li>▪ Development and review of Local Flood Risk Management Strategy</li> <li>▪ Maintaining a database of coastal flood defence infrastructure</li> <li>▪ Monitor the coastline, including photographic survey. Consider remedial actions to be taken.</li> <li>▪ Participating in wider coastal monitoring issues with neighbouring authorities and organisations</li> <li>▪ Responding to correspondence from the public, students, local associations, various coastal institutions.</li> <li>▪ Preparing contracts to employ Consultants for specialist advice.</li> <li>▪ Obtaining grant aid from the Welsh Assembly Government for Capital Projects.</li> <li>▪ Responding to internal consultations on development within the coastal area.</li> <li>▪ Representing DCC on bodies such as LBCG, Gronant Dunes Advisory Group etc.</li> <li>▪ Liaison with CCW, EA including protecting environmental habitats</li> <li>▪ Project Management of Construction Projects</li> <li>▪ Identifying and prioritising necessary maintenance and repair works to the coastline and procuring and supervising the works</li> <li>▪ Managing the culvert systems</li> <li>▪ Investigating local flood problems</li> <li>▪ Surface water drainage</li> </ul> <p><b>Opportunity1:</b> <i>Flood &amp; Coastal Protection</i> is currently a sub-service area within the H&amp;I Service in DCC, and within the Environmental Service in CCBC - explore opportunities to re-align to either H&amp;I or Environmental Services</p>
<b>Passenger Transport (inc. Public Transportation)</b>	
Public Transport (rail, bus, policy, information)	<ul style="list-style-type: none"> <li>▪ Maximise the opportunities for access for all to services across Conwy, including people without a car</li> <li>▪ Promote sustainable tourism as part of the destination management for Conwy (working with partners, including bus/rail operators, other authorities, the regional consortium and WAG)</li> <li>▪ Where the market cannot provide services commercially and they are socially necessary, intervene by inviting tenders to provide contracted services, or by working with community transport operators.</li> </ul>

## Staffing the Structure Costs (assumptions on following page)

Service/Sub-Service Area	Current Structure		New Structure	No. Posts Removed	New Posts	Saving	Cost	Comments
	CCBC	DCC						
<b>Business Development</b>	£53,125	£50,387	£51,756	1	0	(51,756)		
Business, Quality & Customer Management	£141,830	£146,907	£265,598	3.59	3	(23,139)		
Asset Management	£76,231	£67,070	£146,719	0	0		3,418	
Parking Penalty Processes*	£0	£155,362	£155,390	0	0	(28)		Administered currently by staff in Parking (also see *Parking Penalty Processes & Parking below
<b>Coastal &amp; Countryside</b>	£43,333		£44,325	0	0		992	
Harbour Management & Maritime Services	£150,879	£52,344	£203,223	0	0			The Harbour & Maritime report reported anticipated collaboration savings on seasonal staff in the region of £12.5k
Public Rights of Way	£164,180	£135,398	£273,743	1	0	(25,835)		
<b>Major Project &amp; Bridges</b>			£48,903	0	1			New post 100% funded from Trunk Road Grant
Bridges & Structures	£141,190	£111,567	£217,643	1	0	(35,114)		Potential for increase of income levels
Major Projects			<i>All employment funded by Capital based on the Capital Projects</i>					
<b>Passenger Transport</b>		£41,616	£44,325	0	0		2,709	Already working as one tea with staff in one location
Education Transport Service	£396,507	£414,716	£794,138	0	1	(17,085)		Excludes relief school escorts & school crossing patrols
Public Transport	£0	£59,188	£59,188	0	0			
<b>Streetworks &amp; Parking</b>			£44,325	0	1		44,325	
Streetworks	£109,829	£102,473	£183,555	1	0	(28,747)		Opportunity to maximise income through enhancing monitoring & inspection activity
Parking*	£292,177	£248,022	£487,602	2	0	(52,597)		see *Parking Penalty Processes & Parking below
Highway Development Control	£123,168	£86,915	£213,677	1	1		3,594	
<b>Highways Safety &amp; Improvement</b>			£44,325	0	1		44,325	
Traffic / Engineering Policy	£202,862	£208,486	£271,710	2	0	(139,638)		3 Technicians would work across here and Accident Investigation & Road Safety. 2x posts moved to AI&RS.
Accident Investigation & Road Safety	£32,800	£93,460	£159,591	1	0		33,331	CCBC & DCC grant funded posts not included
<b>Network Maintenance &amp; Street Lighting</b>			£48,903		1		48,903	
Highway Maintenance	£337,832	£270,132	£543,271	2	0	(64,693)		
Street Lighting	£275,847	£278,327	£511,229	1	0	(42,945)		Already gone through a re-structuring with the appointment of the shared Street Lighting Manager
Highways Works Unit	£1,050,405	£676,838	£1,674,699	2	0	0		Cannot release the £89k savings as the reduction in staff is reflected in the maintenance works account
<b>Sub-Totals pre on-costs</b>	<b>£3,592,195</b>	<b>£3,199,208</b>	<b>£6,487,838</b>	<b>18.59</b>	<b>9</b>	<b>(481,577)</b>	<b>£181,597</b>	
<b>On costs @30%</b>	<b>£1,077,659</b>	<b>£959,762</b>	<b>£1,946,351</b>			<b>(144,473)</b>	<b>£54,479</b>	
<b>Totals</b>	<b>£4,669,854</b>	<b>£4,158,970</b>	<b>£8,434,189</b>			<b>(626,050)</b>	<b>£236,076</b>	net saving (389,974) before additional costs
<b>Additional costs:</b>								
*Parking Penalty Processes & Parking (see Table 2 for breakdown)							£48,913	DCC already acts as a Host LA for a 7 LA partnership arrangement which CCBC would joint under integration
4% grade differential to protect against potential JE claims & Host LA pay differences							£337,368	This calculation is based on previous JE work and the profile of the existing jobs to the new jobs

Table 2

## Penalty Parking Processes &amp; Parking Breakdown\*

	CCBC
WP3- Annual Membership Charge	38,913
Initial Payment	10,000
<b>Total Additional Cost</b>	<b>48,913</b>

## Assumptions

- Salaries are based on the top of the scale for current and new posts (to mitigate against changes as we progress)
- FTE salary is worked out (salary x FTE)
- The salary for posts under the new structure are an average of the existing two posts (where appropriate) (due to CCBC/DCC differing grade structures) inc. where the HOS has specified a grade
- On-costs have been added at 30% to the final total salary costs
- Grant funded posts are not in-scope
- Posts within the new structure have not been through a Job Evaluation process therefore a JE contingency of 4% has been added to costs
- A pay structure has not been agreed as it will be dependent on the appointment of the Host Authority
- The savings amount contain 2x administration posts which individual LAs have not yet realised and are not as a direct result of collaboration

Table 3

## Total Staff Savings

Total savings from staffing the new structure	(626,050)	
Total costs of staffing the new structure	£622,357	(236,076+ 48,913+337,374)
<b>Total</b>	<b>(3,693)</b>	Saving from the new structure

### **Assumptions**

- 1 Salaries are based on the top of the scale for current and new posts (to mitigate against changes as we progress)
- 2 FTE salary is worked out (salary x FTE)
- 3 The salary for posts under the new structure are an average of the existing two posts (where appropriate) (due to CCBC/DCC differing grade structures) inc. where the HOS has specified
- 4 On-costs have been added at 30% to the final total salary costs
- 5 Grant funded posts are not in-scope
- 6 Posts within the new structure have not been through a Job Evaluation process therefore a JE contingency of 4% has been added to costs
- 7 A pay structure has not been agreed as it will be dependent on the appointment of the Host Authority
- 8 The savings amount contain 2x administration posts which individual LAs have not yet realised and are not as a direct result of collaboration

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**JH&I Accommodation Option Appraisal: Scoring the Option**

Transfer the weightings into the 'Agree Weightings' column.  
 Give each option a score of between 1 and 5 and enter in the column 'Raw Score'.  
 Multiply the 'Raw Score' by the 'Agreed Weightings' score to give the weighted score.

5 – Strongly Agree / Improvement  
 4 – Agree / Some Improvement  
 3 – Neither Agree nor Disagree / No change  
 2 – Disagree / Slightly Worse  
 1 – Strongly Disagree / Worse

Non-Financial Benefits Criteria		Agreed Weighting	Option 1		Option 2		Option 3	
			Raw	Weighted	Raw	Weighted	Raw	Weighted
a	Increased customer satisfaction	15	3	45	2	30	3	45
b	The whole Service is recognised as a high performing service	10	4	40	1	10	4	40
c	Improved development and career opportunities for new and existing employees	10	4	40	2	20	4	40
d	Increased flexibility in and efficient use of limited resources	15	5	75	4	60	5	75
e	Minor disruption to the delivery of the Highways and Infrastructure Service (inc. employees)	10	2	20	2	20	1	10
f	Minor disruption to the delivery of other council services (inc. employees)	10	2	20	2	20	1	10
g	Must be likely to receive political buy-in	15	1	15	3	45	2	30
h	Must have staff buy-in or the potential to overcome staff opposition	15	1	15	4	60	2	30
<b>Total Option Score</b>			22	<b>270</b>	20	<b>265</b>	22	<b>280</b>



	Option 1	Option 2	Option 3
<b>Disturbance Costs</b>	<i>Staff profiling work would be required to ascertain these costs for the FBC</i>		
<b>Transitional Costs (one off)</b>	£250,000 (100 Heath staff to Caledfryn) & (150 DCC staff relocation)	£100,000 based on apx. 100 staff transferring	£200,000 all 200 Heath and Caledfryn staff to St Asaph
<b>Lease Costs (per annum)</b>	£0	£0	£105,000
<b>Running Costs (per annum)</b>	£155,000 (Caledfryn)	£243,777 (Caledfryn £155,000 – running costs / 100 staff) + (Heath £88,777)	£80,000 Based on a building similar in size and construction
<b>Corporate Costs (per annum)</b>	Year 1 £109,500 Year 2 £117,250 (Heath Mothballed apx. £19,500 yr 1 & £27,250 yr 2) & (re-located DCC staff £90,000)	<b>£0</b>	Year 1 £174,500 Year 2 £182,250 (Heath Mothballed apx. £19,500 yr 1 & £27,250 yr 2) & (Caledfryn cost remains at £155,000)
<b>Total</b>	Year 1 <b>£514,500</b> Year 2 <b>£272,250</b>	Year 1 <b>£343,777</b> Year 2 <b>£243,777</b>	Year 1 <b>£559,500</b> Year 2 <b>£367,250</b>
<b>Additional Cost of the Option</b> Compared against the current running costs at the Caledfryn and Heath at £243,777 (Caledfryn £155,000 + Heath 88,777)	Year 1 <b>£270,723</b> Year 2 <b>£28,473</b>	Year 1 <b>£100,000</b> Year 2 <b>£0</b>	Year 1 <b>£315,723</b> Year 2 <b>£123,473</b>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
a	Increased customer satisfaction	15	3	2	3	<p><b>(All Options)</b> The project provides an opportunity to develop a community relationship role for each of the 'Service managers' in the new structure. It is important that a strong presence and up to date knowledge is maintained to provide a high quality service. There will be cultural change. This is dependent on: (see the next two factors).</p> <p><b>(All Options)</b> Overcoming the challenges and Impact of each Accommodation option on the 'Service Manager' roles given the additional travel required across the region to attend meetings/customers etc. More travel/downtime means less capacity to deal with 'detail', and responsibilities potentially needing to be</p>



Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						<p>delegated to Job Descriptions at lower grades in the organisation structure. There is a risk of a slower and lesser quality response. This requires the establishment of a Customer Services Strategy and the encouragement of Highways officers to own problems and service requests through to resolution. Timely responses and updates will be provided to the customers of the Highways service.</p> <p><b>(All Options)</b> Officers that are employed by either authority pre-integration may not have the personal knowledge of either Denbighshire or Conwy territory/Assets, or know-how that will be necessary for a future integrated service to function better compared to now. This can be accelerated by developing a robust Asset Management database including all CCBC and DCC Highways assets and ensuring officers have access and have responsibility to apply it to solutions.</p> <p><b>(All Options)</b> There is an opportunity to align and improve processes and practices, providing a better service for the customer. Again, whilst this can be achieved by all three options, changes will be adopted and managed more effectively from a single location.</p> <p><b>(All Options)</b> Use of a Call centre/CRM tools by internal/external customers. Access to quality timely information will be crucial to ensure a one service approach. As well as the use of common technology this will require complementary workflow, scripts and officer training.</p> <p><b>(Options 1&amp;3)</b> the cultural alignment is a key factor in ensuring that an integrated service can deliver its benefits. This is most likely to be achieved when all staff are working from one location.</p> <p><b>(Option 1 &amp; 3)</b> A single location could be perceived as being more remote and/or less available to Conwy or</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						<p>Denbighshire customers with a greater risk of lower satisfaction. This can be countered by developing a high quality customer service regime, devising a Customer Services Strategy and implementing new ways of working to monitor and improve the tracking, accuracy and quality of enquires received and responses provided to customers. This should lead to a Highways culture that is more customer focused.</p> <p><b>(Option 1 &amp; 3)</b> Consideration for the ease of access for customers making physical visits to H&amp;I.</p> <p><b>(Option 2)</b> Excellence in communication within the single service (across one or two buildings) is going to be paramount including keeping the internal or external customer up to date on progress of their issue.</p>
b	The whole Service is recognised as a high performing service	10	4	1	4	<p><b>(All Options)</b> Removal of duplication – ‘once not twice’. This is a natural progression by having one service rather than two. Staff co-located in same service or sub-service teams have opportunity to develop best practices and common and consistent working approaches, remove bad practices. This may be better achieved through one single location.</p> <p><b>(All Options)</b> It will take time for the service performance to stabilise following any manager / staff moves. Performance may well dip for a period before it is feasible for the integrated service to attain any planned higher service level(s). Working practice changes must be planned, ahead and driven forward by the new management structure on behalf of Member(s) as staff re-locate.</p> <p><b>(All Options)</b> Excellence in communication is paramount throughout a period of ‘change’ otherwise there is the risk of misperception as to the actual service</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						<p>activities underway and the service level(s) being achieved or planned.</p> <p><b>(All Options)</b> With the lack of initial investment to back an accommodation solution to a fully integrated service, there is the danger that the building will dictate the business need.</p>
c	Improved development and career opportunities for new and existing employees	10	4	2	4	<p><b>(All Options)</b> There will be better opportunities for skill sharing and development, given the benefits that will arise by combining both Authorities' Highways knowledge and skills, section by section. This is likely to be best achieved through accommodation in one single location.</p> <p><b>(All Options)</b> Staff co-located in same service or sub-service teams will have shared access to new opportunities. The number and frequency of such opportunities will be dependent on service need; also changes in capital works etc.</p> <p><b>(All Options)</b> Staff will need support to overcome their personal challenges when faced with 'Change', especially if working in a new location and also within a new team potentially (especially if outside previous county working boundaries as in Options 1&amp;3).</p> <p><b>(Options 1&amp;3)</b> The single location may restrict the viability of opportunities for some staff due to greater journey times and distance; this is a greater risk for Option 1.</p>
d	Increased flexibility in and efficient use of limited resources	15	5	4	5	<p><b>(All Options)</b> Resources can be shared by multiple staff and teams. It is likely that the greatest efficiencies will arise from all H&amp;I staff being located in the same location (single building) with a lesser benefit possible when sub-services are co-located in one of two</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						<p>buildings.</p> <p><b>(All Options)</b> Economies of scale for procurement can be achieved by only needing to prepare tender documents once, which requires less officer time and effort. In addition, tenders which have a greater value of work will often attract more competitive rates.</p> <p><b>(All Options)</b> Extra capacity and resilience which is better able to manage peaks in workload, and better able to deal with staff changes through absence and turnover. Flexible working practices, review of divisional/inspection areas, supervisor roles, shift patterns, stand by arrangements (the identification of such improvements in the use of Asset and detailed working practices are outside the scope of this project).</p> <p><b>(Option 1)</b> There needs to be a recognition that as a result of this option there is a potential lost opportunity of releasing assets identified in the DCC Corporate Accommodation Strategy.</p> <p><b>(Option 3)</b> Without considering an innovative approach to ICT that would provide opportunities for flexible space utilisation through improved technologies, the St Asaph site would be restricted, with little room for expansion and restrictions with regards to large equipment, storage, etc. An invested approach would aim for an 80% desk provision utilising new and mobile technologies, providing more flexible use of the accommodation now and in the future (the identification of such improvements in the use of Asset and detailed working practices are outside the scope of this project).</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
e	Minor disruption to the delivery of the Highways and Infrastructure Service (inc. employees)	10	2	2	1	<p><b>(Option 1&amp;3)</b> A full scale move into either St Asaph or Caledfryn will take time to settle. Performance may well dip for a period before reaching any planned higher service level(s). Practice changes must be planned and driven forward by the new management structure on behalf of Member(s).</p> <p><b>(Option 2)</b> It needs to be recognised that the intention to relocate small numbers of staff to larger teams working from one site, invariably results in a larger number of staff needing to be relocated (although this may be within their current location) to allow this to occur.</p>
f	Minor disruption to the delivery of other council services (inc. employees)	10	2	2	1	<p><b>(Option 2)</b> It needs to be recognised that the intention to relocate small numbers of staff to larger teams working from one site, invariably results in a larger number of staff needing to be relocated (although this may be within their current location) to allow this to occur.</p> <p><b>(Option 1)</b> DCC staff working for other services (not H&amp;I) will need to be relocated resulting in a potential knock on effect for many of DCC services and their staff.</p> <p><b>(Option 1&amp;3)</b> Relationships between Highways and other services will change- at each of CCBC and DCC - including the Corporate Centre(s), Planning, Environment and Technical Services.</p>
g	Must be likely to receive political buy-in	15	1	3	2	<p><b>(Option 1)</b> There needs to be a recognition that as a result of this option there is a potential lost opportunity of releasing assets identified in the DCC Corporate Accommodation Strategy.</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						<p><b>(Option 1&amp;3)</b> Perception of Members at both CCBC and DCC is important given the risk that a single building may be seen as creating a 'remote' and impersonal service for both CCBC and DCC customers compared to current local contact(s) ongoing.</p>
h	Must have staff buy-in or the potential to overcome staff opposition	15	1	4	2	<p><b>(All Options)</b> Staff may leave due to increase requirements to travel to their new place of work, a particular risk for Options 1&amp;3).</p> <p><b>(All Options)</b> There will be better opportunities for skill sharing and development, harnessing the benefits of combined knowledge and skills. This may be better achieved through one single location.</p> <p><b>(All Options)</b> Staff co-located in same service or sub-service teams will have common access to new opportunities. The number and frequency of such opportunities will be dependent on staff resources in post compared to demand i.e. service need; also changes in capital works etc.</p> <p><b>(All Options)</b> Staff will need support to overcome their personal challenges if working in a new location and a new team potentially (especially if outside previous county working boundaries as in Options 1&amp;3).</p> <p><b>(Options 1&amp;3)</b> The single location may restrict the viability of opportunities for some staff due to distance; this is a greater risk for Option 1.</p> <p><b>(Option 2)</b> It needs to be recognised that the intention to relocate small numbers of staff to have full teams working from one site, invariably results in a larger number of staff needing to be relocated (maybe within</p>

Criteria		Agreed Weighting	Raw Score			Contributing Factors
			Option 1	Option 2	Option 3	
						their current location) to allow this to occur.
		<b>Raw Totals</b>	22	20	22	

CONFIDENTIAL

**PROPOSAL FOR:** Highways and Integration / Conwy and Denbighshire  
Officer Group  
**FROM:** Denbighshire and Conwy's ICT departments  
**DATE:** 15<sup>th</sup> August 2012

## 1. BACKGROUND

Conwy and Denbighshire ICT departments produced two joint reports for the Conwy and Denbighshire Officer Group (CDOG) in July 2011 and November 2011 outlining proposals and estimated costs for IT service delivery to the integrated service. Further to these reports, CDOG have requested more detail on the current and estimated future costs for ICT systems and applications utilised by the service.

This report provides an update of the estimated *additional* Capital and Revenue costs required to support *existing* systems under the following options:

- Option 1 - Re-location of Heath based staff to the Caledfryn site
- Option 2 - Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate
- Option 3 - Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)

## 2. A FULLY INTEGRATED H&I SERVICE SUPPORTED BY DENBIGHSHIRE ICT OR CONWY ICT AS HOST AUTHORITY.

### Assumptions and Points to Note

- The costs detailed in this report are in addition to the existing costs of the delivery of IT services to the H&I service
- The transitional and additional running costs are in the main attributed to the transfer of H&I staff, ICT systems and Infrastructure to a Host LA, rather than the physical relocation.
- Capital and revenue costs for the implementation of completely new systems or technologies aimed at delivering transformation and efficiencies within the Joint Integrated Highways Service (e.g. EDRMS, Sharepoint, IPADs) cannot be included in this report without a clear specification of Service requirements. However, there may be opportunities for efficiencies through investment in these technologies but they are out of scope for this project. Additional capacity for *new* work would be costed separately.
- Where possible staff will move their existing pc/laptop/tablet/printer and telephony hardware/software licenses in to the new integrated service. The hardware is of an appropriate specification and condition to be supported in the new joint service.
- The cost to migrate data and licenses will need to be investigated with the individual application owners once the decision has been made which applications will be used by the joint H&I service and which of the LAs will act as the host (See Appendix 3). Without this information at a specific application level it is difficult to make an assumption on any savings or additional costs that may



be incurred in relation to systems usage. Additional hardware and specialist consultancy charges are also likely to be incurred to accommodate any systems migrations from one authority to another.

- The systems used by both DCC and CCBC are detailed in section 3.13 and 3.14 of the joint report produced in July 2011.
- The 200 Highways and Infrastructure staff number is apportioned on a 50/50 ratio with 100 staff currently CCBC employees and 100 currently DCC employees. Therefore, each ICT service will be taking on an additional 100 staff to support.
- The merger of existing systems or implementation of replacements for the Joint Highways and Infrastructure Service will carry a substantial additional overhead on both ICT Services as the migration work is undertaken and consequential network or server infrastructure improvements are introduced. Consultancy costs from existing and new ICT providers are likely to be high but Conwy and Denbighshire can provide specialists in technology areas such as Networks, Telephony, Virtualisation, SAN, Citrix, AD, SQL, Desktops and Security to help limit the requirement for external expertise.
- An estimated additional cost of £75k has been put forward as a reasonable, 'transitional' charge to allow a contribution towards resourcing the extensive additional workloads brought about in managing this merger for the hosting ICT service. Resource could not be freed up from the non-hosting Council as officers are not purely dedicated to Highways work and instead deliver IT support and management services across the Council. This transitional fund should be put in place for an initial period of 2 years with an agreement to review at the end of this term.
- Each ICT service will work in partnership to support transfer of skills wherever possible to enable officers in the host service to support systems and technologies operated by the integrated H&I service. This will help alleviate some of the demand and costs associated with training/3rd party consultancy.
- Where systems are common across Conwy and Denbighshire, all licences transfer at no additional cost (*as this is not a guarantee that all licence ownership rights can be transferred to one authority or another, section 3 and appendix 3, will highlight separately the potential costs that could be incurred if all licence ownerships are not transferred*).

### 3. SUMMARY OF SET UP AND ANNUAL COSTS

#### USING DCC SYSTEMS

	<b>Option 1</b> Re-location of Heath based staff to the Caledfryn site	<b>Option 2</b> Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate	<b>Option 3</b> Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)
<b>Set Up Costs</b> (includes costs from Appendix 1 & 3)	<b>£211k</b>	<b>£222k</b>	<b>£272k</b>
<b>Annual Costs</b> (Includes costs from Appendix 2 & 3)	<b>£61k</b>	<b>£52k</b>	<b>£72k</b>

#### USING CCBC SYSTEMS

	<b>Option 1</b> Re-location of Heath based staff to the Caledfryn site	<b>Option 2</b> Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate	<b>Option 3</b> Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)
<b>Set Up Costs</b> (includes costs from Appendix 1 & 3)	<b>£196k</b>	<b>£207k</b>	<b>£257k</b>
<b>Annual Costs</b> (Includes costs from Appendix 2 & 3)	<b>£34k</b>	<b>£25k</b>	<b>£45k</b>

## Appendix 1 - Set Up Costs

	<b>Option 1</b> Re-location of Heath based staff to the Caledfryn site	<b>Option 2</b> Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate	<b>Option 3</b> Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)	<b>Comments</b>
ASSUMPTIONS	<ul style="list-style-type: none"> <li>Staff will bring their own desktops (PCs/laptops), printers and plotters.</li> <li>100 DCC employees will vacate Caledfryn to make room for the 100 CCBC staff members. Costs for relocating these staff that have not been factored within this proposal</li> <li>Existing wireless coverage in current locations will be used</li> </ul>	<ul style="list-style-type: none"> <li>All 200 staff will stay in their existing locations and will use their existing desktops (PCs/ laptops), printers and plotters</li> <li>Existing wireless coverage in current locations will be used.</li> </ul>	<ul style="list-style-type: none"> <li>Staff will bring their existing desktops (PCs/laptops), printers and plotters.</li> <li>The existing cabling will be used in the building</li> </ul>	
Servers, Storage, Backup and UPS	£35,000 <i>(host LA will increase numbers on servers)</i>	£35,000 <i>(host LA will increase numbers on servers)</i>	£35,000 <i>(host LA will increase numbers on servers)</i>	
Local Area Network	n/a	n/a	£25,000 <i>(cabling, switches, internally)</i>	
Wide Area Network Link	n/a	n/a	£5,500 <i>(cabling, switches to external host)</i>	
Telephony Services including Call Centre Technology.	n/a	n/a	£16,000 <i>(infrastructure)</i>	With regards to Option 1, we are relying on 100 current users moving out .Rental charge is £250 per extension
<b>PC software licensing for 3 to 5 years.</b>	£40,000 <i>(the two LAs use different products, not ability to transfer licences – cannot recoup on existing licences in none host LA)</i>	£40,000 <i>(the two LAs use different products, not ability to transfer licences – cannot recoup on existing licences in none host LA)</i>	£40,000 <i>(the two LAs use different products, not ability to transfer licences – cannot recoup on existing licences in none host LA)</i>	An additional £18 per user will need to be included for laptops for encryption software.
(Anti Virus, Active Directory, USB control, asset management, desktop management, e-mail, power management, Office standard, client access licenses)				

Application Licensing e.g. mapping, AutoCAD	<i>Please see Appendix 3</i>	<i>Please see Appendix 3</i>	<i>Please see Appendix 3</i>	Dependant on the Host LA in some cases. A more detailed costing exercise will need to be undertaken for full business case
URL filtering and proxy software	£2,000 <i>(stops use of unofficial sites)</i>	£2,000 <i>(stops use of unofficial sites)</i>	£2,000 <i>(stops use of unofficial sites)</i>	Websense is £20 per user for 3 year contract
Remote Access	£11,550 <i>(assumption that more flexible working will be required)</i>	£11,550 <i>(assumption that more flexible working will be required)</i>	£11,550 <i>(assumption that more flexible working will be required)</i>	DCC - £231 per license, assuming 50 remote users required. Conwy do not raise a charge upfront but charge higher annual rates (£132).
Citrix presentation over shared services VRF	n/a	£11,550 <i>(staff working in one LA needing access to the host LA)</i>	n/a	For 50 users (assuming that the remaining 50 are already paying for remote access as above)
Mobile Phones & Blackberries	£0	£0	£0	Based on 100 users using a 'free' contract device and £15 rental that is covered below. There may be decommissioning costs for mobiles if mobiles are still in contract.
User training	£20,000	£20,000	£20,000 <i>(staff training)</i>	Nominal figure of 40 days @ £500 per day
ICT Staff Training in different technologies.	£10,000	£10,000	£10,000 <i>(Host LA training)</i>	Based on £1000 per day.
Wireless coverage in meeting rooms and hot desk areas	n/a	n/a	£15,000	No guest access provided
Resource to support 100 additional users	£75,349.00 <i>(2year costs initially)</i>	£75,349.00 <i>(2year costs initially)</i>	£75,349.00 <i>(2year costs initially)</i>	This resource is across a number of staff due to the specialist skills required.
<b>TOTAL SETUP COSTS</b>	<b>£193,899</b>	<b>£205,449</b>	<b>£255,399</b>	

## Appendix 2 – Annual Costs

	<b>Option 1</b> Re-location of Heath based staff to the Caledfryn site	<b>Option 2</b> Retain Caledfryn and the Heath sites, reorganising the staff according to Service / Sub-Service Areas where appropriate	<b>Option 3</b> Staff from the Heath and Caledfryn to be located in a building formally used as office space (St Asaph Business Park)	<b>Comments</b>
Annual maintenance for Servers, Storage, Backup and UPS	£2,000 <i>(based on charges paying now)</i>	£2,000 <i>(based on charges paying now)</i>	£2,000 <i>(based on charges paying now)</i>	
Local Area Network	n/a	n/a	£1,500 <i>(cabling, switches, internally)</i>	
Wide Area Network Link	n/a	n/a	£8,000 <i>(cabling, switches to external host)</i>	
Telephony	£15,000	n/a	£6,500 £15,000 <i>(dependant on the host decision)</i>	£150 per extension plus £6,500 maintenance for new system for Option 3. (H&I will be paying for extension costs now?)
PC software licensing	£8,000 <i>(annual support &amp; maintenance charges)</i>	£8,000 <i>(annual support &amp; maintenance charges)</i>	£8,000 <i>(annual support &amp; maintenance charges)</i>	
(Anti Virus, Active Directory, USB control, asset management, desktop management, e-mail, power management, Office standard)				
Application Licensing e.g. mapping, AutoCAD	<i>Please see Appendix 3</i>	<i>Please see Appendix 3</i>	<i>Please see Appendix 3</i>	Dependant on the Host LA in some cases. A more detailed costing exercise will need to be undertaken for full business case.
Annual maintenance for URL filtering software	£0	£0	£0	£20 per user will be paid in year 4
Annual maintenance for Remote Access	£3,000	£3,000	£3,000	Assuming 50 remote users required. Based on CCBC charge of £132 per user with no upfront charge.

				DCC charge £60 per user, with an additional upfront charge.
Annual maintenance for Citrix presentation over shared services VRF	n/a	£6,600	n/a	For 50 users (assuming that the remaining 50 are already paying for remote access as above)
Annual costs for Mobile Phones & Blackberries	£0	£0	£0	Based on 100 users using a 'free' contract device and £15 per month rental (H&I are possibly paying now?)
Annual maintenance for Wireless coverage in meeting rooms and hot desk areas	n/a	n/a	£2,000	
<b>Additional Annual Revenue</b>	<b>£28,000</b>	<b>£19,600</b>	<b>39,500</b>	

## Appendix 3 – Detail of Departmental Specific Systems

### **Please Note:**

- (i) The following analysis is based on information supplied by the Service and is therefore an estimate of the current and future positions. Should the project proceed to a FBC, detailed written costs would need to be provided by suppliers.
- (ii) That where systems are common across Conwy and Denbighshire (highlighted in grey), an assumption has been made that all licences will transfer at no additional cost, and whilst the potential liability is detailed, they are not included in the totals. The total liability has the potential to reach an *additional* estimated £292k in set up costs and £161,851 annual costs.

### **Assumptions:**

- For purposes of calculation, it is assumed the requirements for licensing for each system / device will double.
- Migration of existing systems will incur significant additional costs for data transfer, migration, upgrades and new / replacement hosting hardware.
- Consultancy and IT infrastructure charges for systems that are not currently implemented e.g. CRM, Sharepoint are not included.
- Assumed an additional 20 MS Project licences
- All figures above with £0 value doesn't necessarily mean that there won't be a cost - it means that costs were unknown at the time of producing the report.
- The additional estimated annual costs should be discounted due to current spend, therefore we have halved the 'real' cost above to accommodate a transitional stage in the project whereby negotiation of contracts and parallel running of systems will take place.
- There are other systems not costed as they are not currently implemented into to Highways & infrastructure but may be in future e.g. EDRMS, Sharepoint

### Denbighshire Summary of Software Costs for Systems in Use within Highways & Infrastructure Services

		Current Licenses Owned / Users	Current Estimate Annual Costs to H&I	Estimate Additional Costs to Double Users	Estimate Annual Costs to Double Users
				Set Up	Annual
<b>Corporate Systems</b>	<b>Product Details</b>				
GIS	Corp Mapping Product	70	£2,520	£0	£2,520
Reporting from Ledger	M-Power	NA	£0	£0	£0
Creditors	Unidata SB	NA	£0	£0	£0
Collaborative Planning (Budgets)	CP	NA	£0	£0	£0
Debtors	Proforma	NA	£0	£0	£0
Cash Management	Spectrum	NA	£0	£0	£0
HR / payroll	Midland Trent / i-Trent	Payslips	£0	£0	£0
Online Ordering	Proactis	NA	£0	£0	£0
Clocking software	Visiontime	100	£0	£6,000	£0
Project Management	MS Project	20	£0	£1,364	£0
<b>Integrated Service Systems</b>					
H&I Asset Management	Symology Insight	26	£35,567	£50,960	£10,192
CAD	AutoCAD Map 3D & Civil 3D	12	£7,900	£58,500	£7,900
	AutoCAD LT	6	£1,230	£7,500	£1,230
Mapping / GIS	Mapinfo professional	19	£4,883	£0	£4,883
	Mapinfo Plan View	10	£520	£0	£520
					£0
	Dmaps	NA	£8080	£0	
Trimble GPS Devices		21	£2,940	£12,600	£2,940



<b>Business Development</b>					
Land Charges / Searches for Conwy	Swift Land Charges	2	£0	£0	£0
Asset Surveys	YOTTA Survey Data	1	£0	£0	£0
Civil Parking Enforcement	Spur Si-Dem	0	£6,251	£0	£12,502
	Spur Si-Log (handheld devices)	0	£2,244	£0	£4,488
<b>Coastal &amp; Countryside</b>					
Harbour Management	Star Computing Havenstar	2	£1,380	£0	£1,380
Manage vessel launching	In-House	0	£0	£0	£0
Digicard Pre-pay utility software		0	£0	£0	£0
Harbour lettings and licenses	Paxton net	0	£1,648	£0	£3,296
<b>Major Projects &amp; Bridges</b>					
Time Management	Profess	NA	£878	£0	£0
Design software	MX	2	£2,580	£2,580	£5,160
Highways Sign software	KeySign	1	£0	£0	£0
Road Marking Software	KeyLines	1	£0	£0	£0
Software for traffic management layouts	KeyRoadworks	4	£1,800	£1,800	£3,600
Mapping	Dmaps	0	£0	£0	£0
Drainage design software	WinDes	1	£1,614	£1,614	£3,228
AutoTrack		0	£328	£0	£656
<b>Passenger Transport</b>					
School Transport System	Capita ONE Transport & Route Mgt	4	£7,239	£4	£7,239
Bus Pass Cube System	Bus Pass Printing Systems				
School Transport Incident Reporting	STIR	0	£0	£0	£0
Trapeze Publicity Systems		0	£0	£0	£0

<b>Streetworks &amp; Parking Management</b>					
Streetworks System	In-House	8	£0	£0	£0
<b>Highways Safety &amp; Improvement</b>					
Accident Plotting & Monitoring	Key Accident (AM for up to 2)	2	£690	£3,600	£0
Line Plotting & Monitoring	Key Lines (AM for up to 2)	1	£210	£0	£420
Sign Plotting & Monitoring	Key Sign (AM for up to 2)	1	£210	£0	£420
Remote Monitoring System	Siemems Remote Monitoring	1	£2,700	£0	£5,400
Traffic light Modelling	Linsig	1	£295	£0	£590
Parking restrictions	Parkmap	1	946	£0	£1,892
Vehicle Activated Signs	AGD	0	£0	£0	£0
Micromatch	micromatch	1	£316	£0	£632
AutoTrack	Share with Major Projects	0	£0	£0	£0
<b>Network Maintenance &amp; Street Lighting</b>					
Streetlighting System	Hilight Horizon	7	£1,031		£800
Gritter Tracking & Mgt	Track U	14	£3,998	£13,914	£3,998
Street Lighting	SLiMs	5	£2,151	£0	£4,302
	lighting reality design software	4	£70	£0	£1,580
Time management	Profess	NA	£878	£0	£0
Totals (including common systems in DCC & CBBC)				£160,440	£146,973
<b>TOTALS</b> (excl. common systems in DCC & CBBC)				<b>£16,958</b>	<b>£32,856</b>

## Conwy Summary of Software Costs for Systems in Use within Highways & Infrastructure Services

		Current Licenses Owned / Users	Current Estimate Annual Costs to H&I	Estimate Additional Costs to Double Users	Estimate Annual Costs to Double Users
				Set Up	Annual
<b>Corporate Systems</b>	<b>Product Details</b>				
Internet & Intranet CMS	Webstructure CMS		£0	£0	£0
GIS	Corp Mapping Product	70	£2,520	£0	£2,520
Ledger	CA Masterpiece	NA	£0	£0	£0
Creditors	CA Masterpiece	NA	£0	£0	£0
Finance Reporting	MRC reporting tool	NA	£0	£0	£0
Debtors	In-House - AS400	NA	£0	£0	£0
Cash Management	In-House - AS400	NA	£0	£0	£0
HR / payroll	Midland Trent / i-Trent	Payslips	£0	£0	£0
Contractors System	Contractor Plus	8	£30,000	£0	£0
Online/Automated Payments	Civica Web Pay		£0	£0	£0
<b>Integrated Service Systems</b>					
H&I Asset Management	Symology Insight	26	£35,567	£50,960	£10,192
CAD	AutoCAD Map 3D & Civil 3D	12	£7,900	£58,500	£7,900
CAD	AutoCAD LT	6	£1,230	£7,500	£1,230
Mapping / GIS	Mapinfo professional	19	£4,883	£0	£4,883
Mapping / GIS	Mapinfo Plan View	10	£520	£0	£520
Time Recording	Accutime	Unlimited	£700	£0	£0
Trimble GPS Devices	Handheld GPS PDAs	21	£2,940	£12,600	£2,940
<b>Business Development</b>					

Land Charges / Searches for Conwy	Swift Land Charges	2	£0	£0	£0
Asset Surveys	YOTTA Survey Data	1	£0	£0	£0
Parking Enforcement & Permits	Si-Dem	20000 Tkts	£3,486	£0	£3,486
<b>Costal &amp; Countryside</b>					
Harbour Management	Star Computing Havenstar	2	£1,380	£0	£1,380
Tide Plotting	Belfield Tide Plotter	1	£7	£0	£7
Navigation Aids	PANAR Software	1	£0	£0	£0
<b>Major Projects &amp; Bridges</b>					
Time Management	Profess	25	£1,756	£0	£0
Finite Element Analysis	Superstress	1	£3,000	£1	£3,000
<b>Passanger Transport</b>					
School Transport System	Capita ONE Transport & Route Mgt	4	£7,239	£4	£7,239
Bus Pass Cube System	Bus Pass Printing Systems	0	£0		
<b>Streetworks &amp; Parking Management</b>					
Streetworks System (Permits & Licensing)	In-House - MS Access	8	£0	£0	£0
<b>Highways Safety &amp; Improvement</b>					
Accident Plotting & Monitoring	Key Accident (AM for up to 2)	1	£690	£3,600	£0
Line Plotting & Monitoring	Key Lines (Am for up to 2)	1	£420	£1,890	£0
Sign Plotting & Monitoring	Key Sign (AM for up to 2)	1	£400	£2,295	£0
Vehicle Sweep Path Analysis	Auto Turn	1	£289	£1,640	£289
Road Traffic Safety Modelling	TAITH	1	£0	£0	£0

<b>Network Maintenance &amp; Street Lighting</b>					
Streetlighting System	Hilight Horizon	7	£1,031	£0	£800
Gritter Tracking & Mgt	Track U	14	£3,998	£13,914	£3,998
Totals (including common systems in DCC & CBBC)					
			£109,956	£152,908	£53,545
<b>TOTALS</b> (excl. common systems in DCC & CBBC)					
				<b>£1,641</b>	<b>£5,816</b>

Project Risk Register

Created : April 2012  
 Last Update: July 2012

LIKELIHOOD	Event is almost certain to occur in most circumstances	>70%	Almost Certain	A						
	Event likely to occur in most circumstances	30-70%	Likely	B						
	Event will possibly occur at some time	10-30%	Possible	C						
	Event unlikely and may occur at some time	1-10%	Unlikely	D						
	Event rare and may occur only in exceptional circumstances	<1%	Rare	E						
					5	4	3	2	1	
					Very Low	Low	Medium	High	Very High	
Service Performance					Minor errors or disruption	Some disruption to activities/customers	Disruption to core activities/ customers	Significant disruption to core activities. Key targets missed	Unable to delivery core activities. Strategic aims compromised	
Reputation					Trust recoverable with little effort or cost	Trust recoverable at modest cost with resource allocation within budgets	Trust recovery demands cost authorisation beyond existing budgets	Trust recoverable at considerable cost and management attention	Trust severely damaged and full recovery questionable and costly	
Financial					Cost (£)	<£50k	£50k - £350k	£350k - £1 m	£1 m - £5 m	>£5m
<b>IMPACT</b>										

Note: This Risk Register was created using the engagement from the Visioning Workshop

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
JH&I_R1 (01/05/12)	That there is not enough clear information to inform the Accommodation Strategy.	<ul style="list-style-type: none"> <li>Unable to commit to an outline service design.</li> <li>Cannot plan for the staffing compliment.</li> <li>Unable to undertake financial modelling for the FBC.</li> <li>Members will not support the FBC forcing the collaboration to be reconsidered.</li> </ul>	<b>A3</b>	A review of Review of Office & Depot Accommodation is underway. Initial options are: <ul style="list-style-type: none"> <li>Do nothing;</li> <li>Rationalise existing staff into the two main office buildings currently utilised;</li> <li>Relocate all office staff to one central location, either through a currently owned site or a new one.</li> </ul> <p><u>July 2012 Update:</u>                      Accommodation meeting has taken place and a work package prepared. The draft Service Design has been developed and is being shared with staff. Further work is underway to staff the model.</p>	<b>A3</b> (May 12) <b>C3</b> (Jul 12)	Prepare the Option Appraisal document in readiness for the completion of the Service Design and Staffing	Project Lead/ Project Manager	July 2012

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
JH&I_R2 (01/05/12)	That the changing Political landscape will reverse the collaboration process.	<ul style="list-style-type: none"> <li>▪ Will not meet the commitments of the Compact</li> <li>▪ Missed opportunity to realise benefits and capitalise on the integration work to date within Service Areas.</li> <li>▪ Members ability to collaborate lacks credibility.</li> <li>▪ Negative impact on the moral and motivation of employees.</li> </ul>	<b>C1</b>	<p>Members from across the two authorities have been engaged over the last 3 years in workshops to support and drive the development of a Joint H&amp;I Service. The feasibility study* presented to Cabinet in December was supported with caveats.</p> <p>Elections will take place in May which may result in a new administration and new portfolio holders for this Service (or aspects of it).</p> <p><u>July 2012 Update:</u> The Portfolio Cabinet Members have been briefed on the project, and have agreed to join QAT1 with regular opportunities to meet to discuss and input to the developments.</p>	<b>C1</b> (May 12) <b>C1</b> (Jul 12)	Engage with the cabinets at the end of Stage 2 (see Project Plan)	Project Lead/Project Manager	Aug/Sept 2012
JH&I_R3 (01/05/12)	That there will be a loss of identity.	<ul style="list-style-type: none"> <li>▪ Employees do not know where they belong.</li> <li>▪ Skilled and valued employees leave.</li> </ul>	<b>C2</b>	<p>The feasibility study* outlines proposals for employees to transfer from their existing employer to a Host LA (Governance : Host LA – Delegation)</p> <p>However, until the Service Areas Design (outline) is clear, it will be impossible to create the right identity.</p> <p><u>July 2012 Update:</u> The draft Service Design has been</p>	<b>C2</b> (May 12) <b>C2</b> (Jul 12)	Develop the Service Areas Design with H&I Management Team and H&I Service Area Managers.	Project Manager	TBC

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
				<a href="#">developed and is being shared with staff. Further work is underway to staff the model.</a>				
JH&I_R4 (01/05/12)	That there are unrealistic or insufficient financial benefits and that it may in fact cost more.	<ul style="list-style-type: none"> <li>▪ Increased costs to the customer.</li> <li>▪ Draws funding away from other key priorities.</li> <li>▪ Unable to meet service efficiency targets.</li> <li>▪ Lack of confidence in engaging in future collaborative ventures.</li> </ul>	<b>C1</b>	The feasibility study* identified potential cost avoidances / savings based on assumptions in the region of £1.3m.	<b>C1</b> (May 12) <b>C1</b> (Jul 12)	These figures will be reviewed and adjusted as we progress through Stage 2 of this project, with firm estimated cost avoidances / savings being developed for the FBC.  Undertake a Gateway Review	Project Manager / Finance Team Member  Senior Responsible Officer (SRO)	Sept 2012  Sept 2012
JH&I_R5 (01/05/12)	That the 'rumour mill' is more powerful than formal communication channels.	<ul style="list-style-type: none"> <li>▪ Negative impact on the moral and motivation of employees.</li> <li>▪ Slows the pace of the project.</li> <li>▪ Can result impact on the quality of the service delivered now and in the future.</li> <li>▪ Skilled and valued employees leave.</li> <li>▪ Exacerbates risk JH&amp;I_R7</li> </ul>	<b>A3</b>	<p>ROOT1 Newsletter has been used to share some information with staff, however the frequency and timing of these releases needs to be considered.</p> <p>The JH&amp;I Project Team will take responsibility for the ROOT1 publication until the FBC is produced. The intention is to make the publication more meaningful by using it to keep employees up to date in real time and as a vehicle for consultation and feedback.</p> <p><a href="#">July 2012 Update:</a></p>	<b>C3</b> (May 12) <b>D3</b> (Jul 12)	<p><a href="#">Finalise the Communication Plan.</a></p> <p><a href="#">Continue to inform staff via the newsletter and line Managers</a></p> <p><a href="#">Continue with regular meetings with union representatives.</a></p>	Project Manager	<a href="#">Sept 2012</a>



Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
				Two version of the newsletter have been shared with staff at key points in the project. The business managers for Conwy and Denbs H&I have been identified as Communication Officers and are developing the Communication Plan. Service Design workshop has been held with Managers, who are better informed to engage with their staff on the Project. The 1 <sup>st</sup> union meeting has been held with positive feedback. Further meetings are planned.				
JH&I_R6 (01/05/12)	That the lack of unequivocal political and corporate support will undermine the 'project'.	<ul style="list-style-type: none"> <li>▪ Weakens the partnership.</li> <li>▪ Negative impact on the moral and motivation of employees.</li> <li>▪ Project is not led from the front and cannot succeed.</li> <li>▪ Exacerbates risk JH&amp;I_R7</li> </ul>	<b>B1</b>	<p>Members from across the two authorities have been engaged over the last 3 years in workshops to support and drive the development of a Joint H&amp;I Service. The feasibility study* presented to Cabinet in December was supported with caveats.</p> <p>Elections will take place in May which may result in a new administration and new portfolio holders for this Service (or aspects of it).</p> <p><u>July 2012 Update:</u> The Portfolio Cabinet Members have been briefed on the project, and have agreed to join QAT1 with regular</p>	<b>B1</b> (May 12) <b>B1</b> (Jul 12)	<p>Engage with the cabinets at the end of Stage 2 (see Project Plan)</p> <p>Undertake a Gateway Review</p>	<p>Project Lead/Project Manager</p> <p>Senior Responsible Officer (SRO)</p>	<p>Aug/Sept 2012</p> <p>Sept 2012</p>

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
				<a href="#">opportunities to meet to discuss and input to the developments. This risk has been exacerbated by the H2S Transport Cabinet Report</a>				
JH&I_R7 (01/05/12)	That a lack of engagement and resistance to change will undermine the 'project'.	<ul style="list-style-type: none"> <li>▪ Negative impact on the moral and motivation of employees.</li> <li>▪ Slows the pace of the project.</li> <li>▪ Can negatively impact on the quality of the service delivered now and in the future.</li> <li>▪ Skilled and valued employees leave.</li> </ul>	<b>B2</b>	<p>Following the appointment of a Project Manager in April 2012, a workshop was held with staff to consider the vision, opportunities, benefits and risks. Delegates contributed well to the sessions. The PM assured delegates that (i) the analysis from the day would inform the Vision, Project Documentation, Gateway Review and FBC, (ii) all participants would approve the final analysis, and (iii) all employees would get an opportunity to consult on the Vision, Benefits, and raise risks. Workshop analysis has been distributed and feedback requested.</p> <p>The JH&amp;I Project Team will take responsibility for 1ROOT until the FBC is produced. The intention is to make the publication more meaningful by using it to keep employees up to date in real time and as a vehicle for consultation and feedback.</p> <p><a href="#">July 2012 Update:</a></p> <p><a href="#">Two version of the newsletter have been shared with staff at key points in</a></p>	<b>B2</b> (May 12) <b>C2</b> (Jul 12)	<p><a href="#">Finalise the Communication Plan.</a></p> <p><a href="#">Continue to inform staff via the newsletter and line Managers</a></p> <p><a href="#">Continue with regular meetings with union representatives.</a></p>	Project Manager	<a href="#">Sept 2012</a>

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
				the project. The business managers for Conwy and Denbs H&I have been identified as Communication Officers and are developing the Communication Plan. Service Design workshop has been held with Managers, who are better informed to engage with their staff on the Project. The 1 <sup>st</sup> union meeting has been held with positive feedback. Further meetings are planned.				
JH&I_R8 (01/05/12)	That conflicting local priorities will undermine the 'project'	<ul style="list-style-type: none"> <li>▪ Missed opportunity to realise benefits and capitalise on the integration work to date within Service Areas.</li> <li>▪ Project loses direction with success unlikely.</li> </ul>	<b>B2</b>	<p>The existing H&amp;I Collaboration Officers Group and the H&amp;I Collaboration Board meet throughout the year with membership across the two groups covering Members, Chief Executives, Corporate Directors, and Officers. These groups are a key part of the Project Structure.</p> <p><u>July 2012 Update:</u></p> <p>The Portfolio Cabinet Members have been briefed on the project, and have agreed to join QAT1 with regular opportunities to meet to discuss and input to the developments.</p>	<b>C2</b> (May 12) <b>C2</b> (Jul 12)	<p>Continue to meet with the Portfolio Holders</p> <p>Distribute the staff newsletters to the Members</p>	Project Lead	Sept 2012
JH&I_R9 (01/05/12)	That the lack of a <i>Vision</i> will lead to misconception	<ul style="list-style-type: none"> <li>▪ The project lacks ownership and credence.</li> <li>▪ Project has no clear</li> </ul>	<b>A2</b>	Following the appointment of a Project Manager in April 2012, a workshop has been held with staff to consider the vision, opportunities,	<b>B2</b>	Consult with Employees on the Vision (part of publication).	Project Lead / Project Manager	ASAP

Ref no.	Risk description	Consequence	Score / level of inherent risk	Risk reduction measures & controls	Score / residual risk score	Further Action	Action owner	Milestone Dates
		<p>direction with success unlikely.</p> <ul style="list-style-type: none"> <li>Unrealistic expectations.</li> </ul>		<p>benefits and risks.</p> <p>From this a draft Vision has been developed ready for consultation with Stakeholders.</p> <p><b>Remove:</b> Vision has been developed through the Visioning Workshop and has been adopted</p>				
JH&I_R10 (01/05/12)	External (Regional / National) collaboration agendas for whole service or service areas, may impact or overtake the H&I Collaboration Agenda	<ul style="list-style-type: none"> <li>Fragmented Service</li> <li>Wasted time and resources progressing the H&amp;I Collaboration Agenda</li> <li>Disruption to employees</li> </ul>	<b>C3</b>	The Senior Management Teams and HOS are monitoring the regional and national developments.	<b>C3</b> (May 12) <b>C3</b> (Jul 12)	HOS (Project Lead) to map out ( <i>service area, size of collaboration, timing</i> ) the risk areas for the project in relation to any regional or national developments	Project Lead	Aug 2012 (revised date)
JH&I_R11 (01/05/12)	The risk that ICT changes are too complex and costly to implement	<ul style="list-style-type: none"> <li>Systems will not be running as one</li> <li>Data integrity compromised</li> <li>Service difficult to deliver as one</li> <li>Negative impacts on customer service and</li> </ul>	<b>B2</b>	Conwy and Denbighshire ICT Departments produced a joint report for the Conwy and Den Officers Group in July 2011. Further to that report, a second report was written estimating costs to support Highways and Infrastructure Service in a	<b>B2</b>	Provide ICT staff with the relevant information as completed	Project Manager	Aug 2012

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		<p>performance management</p> <ul style="list-style-type: none"> <li>▪ Increasing costs to run an alternative solution, and/or rectify issues.</li> </ul>		<p>number of scenarios based around the location of the staff under the joint service.</p> <p>These costs will need to be revisited once the Accommodation Strategy is in place and the Service Areas Design, including the staffing structure (number of staff) is clearer.</p> <p><u>July 2012 Update:</u>  ICT meeting has taken place and a work package prepared. The draft Service Design has been developed and is being shared with staff. Further work is underway to staff the model and undertake the accommodation option appraisal</p>				

\* Conwy CBC and Denbighshire CC Joint Highways and Infrastructure: Report on the Development of a Fully Integrated Service (Dec 2012)